Austria ... Sch. 15	Indonesia .. Rp 2500	Portugal ... Esc 65
Bahrain .. Din.0.650	Italy ...... L 1100	S. Arabia .. Rls 6.00
Belgium ... BFr.35	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.50	Jordan ... Fils 500	Spain ..... Pta 95
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.00	Lebanon .. L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $35
France ... FFr. 5.50	Mexico .. Pes. 300	Tunisia ... Din 0.600
Germany .. DM 2.00	Morocco .. Dh 8.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. .... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr 8.00	U.S.A. $1.50
India ..... Rup 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,109 — Friday September 2 1983 — D 8523 B

Winning a round in the fight for Lebanon, Page 11

NEWS SUMMARY

GENERAL

Moslems reject Gemayel talks call

Leaders of the pro-Syrian National Salvation Front of Lebanon rejected President Amin Gemayel's call for talks as sporadic clashes continued in Beirut.

Druze leader Walid Jumblatt, a prominent member of the front, said a "state of war exists" between Lebanon's Moslem and Christian communities. Page 3

Oil rig danger

An oil rig was drifting towards reefs in stormy seas off western Australia after a tow-line broke. Its 52-man crew was rescued by helicopters.

Release "possible"

Six Zimbabwean air force officers redetained after acquittal on sabotage charges may be released soon, a government minister was reported as saying. Page 3

Italy pay row ends

Italian Government settled a long-running pay dispute involving the country's 1.5m private sector engineering workers. Page 2

Peace protest

About 3,000 peace protesters blocked a U.S. military base in Mutlangen, West Germany, over plans to deploy U.S. nuclear missiles. Page 2

Quake drill

Millions of Japanese took part in an earthquake emergency drill marking the 60th anniversary of the Kanto quake which killed 140,000.

Student killed

Manila: A student died and 40 people were injured as police opened fire on demonstrators at Wednesday's funeral of assassinated opposition leader Benigno Aquino.

Yugoslav road deaths

Nine died and 14 were injured when a truck and a minibus crashed near Kumanovo in southern Yugoslavia.

Bomb arrests

Corsican police arrested five "separatist sympathisers" after bombs destroyed an Air France minibus near northern Bastia and damaged buildings in other parts of the island.

Blaze kills 42

Two fuel tanker rail cars exploded in Salvador, Brazil, killing 42 and injuring hundreds, after a train was derailed.

Asylum refused

West Germany refused political asylum to a Soviet soldier interned in Switzerland after being handed over by Afghan guerrillas.

Defector's gold

A Chinese air force pilot who flew into South Korea last month was given $3.5m in gold as a reward for his defection.

Briefly . . .

India is considering a law to halt sexual harassment of women.

Five members of a gang of robbers in Shanghai have been sentenced to death.

Ten Soviet students arrived in Peking to study Chinese language and literature.

Uruguay outlawed the country's only human rights group.

Fire destroyed two floors of a Copenhagen hotel. No one was seriously hurt.

BUSINESS

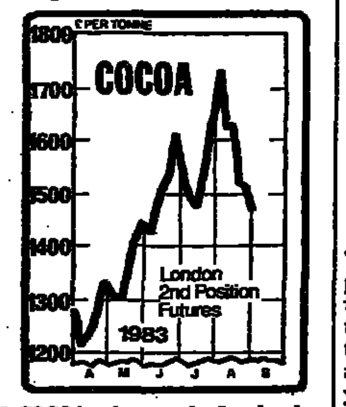
BP lifts quarterly profits to £219m

● BRITISH PETROLEUM lifted its second quarter net income to £219m ($146m) against £74m in the first quarter after a sharp improvement in oil refining and marketing. The company's profit was £283m – higher than any of the previous five quarters – after adjusting for the cost of replacing oil stocks at current prices, Page 20; Lex, Page 12

● WALL STREET closed down 9.35 at 1,206.81. Page 25. Full share listings, Pages 26–28

● LONDON: FT Industrial ordinary share index rose 1.2 to 708.6. Page 29; FT share information service, Pages 29–31

● TOKYO: Nikkei Dow index added 38.92 to 9228.35. Stock Exchange index rose 2.19 to 680.72, Page 25; Leading share prices, other exchanges, Page 28



● COCOA prices on the London futures market fell to the lowest level for two months. The December close was down £58 to £1,466.5 a tonne. Page 34.

● DOLLAR dipped to DM 2.695 (DM 2.697), but was unchanged against the franc at FFr 8.11. It rose to SwFr 2.187 (SwFr 2.186) and to Y246.5 (Y246.25). Its trade-weighted index was 129.4 (129.5). In New York it closed at DM 2.703; FFr 8.1355; SwFr 2.1937; and Y247.27. Page 35

● STERLING rose 50 points to $1.499. It also firmed to DM 4.0425 (DM 4.0325), FFr 12.155 (FFr 12.1125), SwFr 3.28 (SwFr 3.2675) and Y370 (Y368). Its trade-weighted index was 85.5 (85.2). In New York it closed at $ 1.4955. Page 35.

● GOLD rose $2 in London to $416¾. In Zurich it was $416½. In New York, the Comex September settlement was $415.4 ($414.4). Page 34

In New York the Comex September settlement closed at $415.4 ($414.4). Page 34

● Marine Midland, the U.S. money centre bank which is 51 per cent owned by the Hongkong and Shanghai Banking group, has reached an agreement to buy all the shares of CM & M group, a major Wall Street government securities dealer, for between $55m and $70m.

● BRITISH AEROSPACE won orders worth £9m ($5.9m) for three turboprop Jetstream 31, and one 125-800 business jet.

● COOPERS & LYBRAND, one of the world's big eight accountancy firms, has merged its Japan office with Chuo audit company.

● CREDIT LYONNAIS Bank Nederland first-half profits fell by 42 per cent to Fl 24.8m ($8.2m). Page 13

● G. J. COLES, Australian retailer increased net profits for the year to A$82.4m (U.S.$72.5m). Page 14

● CHEUNG KONG (Holdings), net profits fell to HK$ 151.1m (U.S.$9.4m) for the half-year, mainly because of the collapse of Hong Kong's property market. Page 13

● BANGLADESH is hoping for increased Opec assistance for a 1,200km gas pipeline project.

● TATE & LYLE surprised the London Stock Exchange by announcing a rights issue worth more than £42m ($28m). Lex, Page 12

U.S. says Soviet jet shot down 747

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON AND OUR FOREIGN STAFF

THE U.S. last night accused the Soviet Union of shooting down a South Korean Boeing 747 airliner over the north-west Pacific with the likely loss of all 269 people aboard.

Mr George Schultz, the U.S. Secretary of State, said in Washington that the MiG-23 swing-wing interceptor jet had shot down the airliner with a missile after it had been tracked by up to eight Soviet aircraft for up to 2½ hours. He condemned the "appalling act."

The Soviet Union said yesterday that an unidentified aircraft twice violated Soviet airspace and that Soviet fighters "were sent aloft" to help it land. The brief report by the official news agency Tass did not admit to shooting down the 747.

The U.S. said yesterday that it was considering requesting a meeting of the UN Security Council to deal with the disappearance of the airliner.

In Tokyo, Mr Shintaro Abe, the Japanese Foreign Minister, said the airliner was "almost certainly" shot down by the Soviet Union. Japan was especially concerned, Mr Abe said, because the airliner was carrying 27 Japanese passengers. His statement was described as unfriendly by the Soviet ambassador.

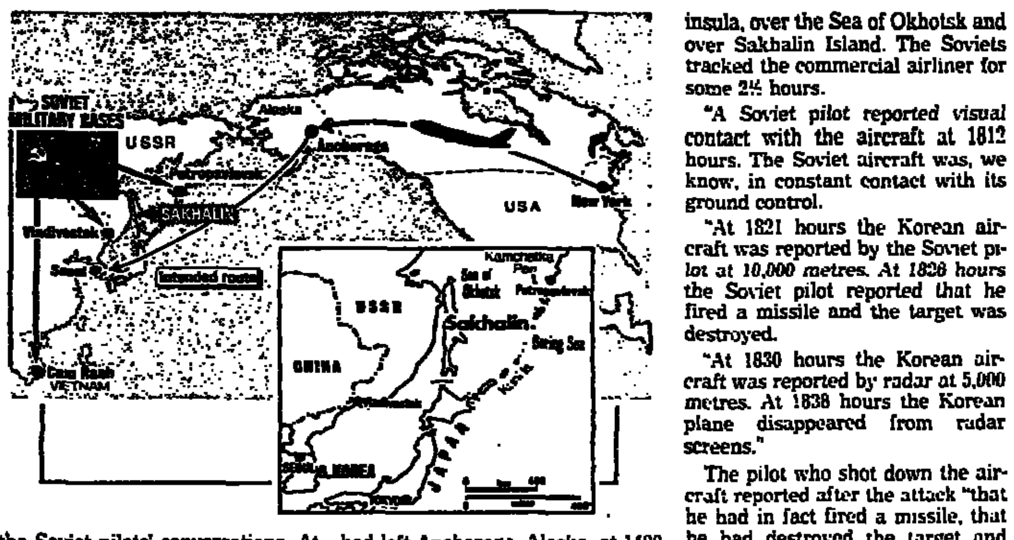
Mr Lee Jin-Hie, South Korea's Minister of Culture and Information, said in Seoul that if the aircraft had indeed been shot down by a third country it represented a grave violation of international law.

The outcry in Washington was made all the greater by the presence on the aircraft of a U.S. Congressman, Mr Larry McDonald, an extreme right-wing Georgia Democrat.

President Ronald Reagan, at his California ranch, said that "no circumstances" could justify the unprecedented attack on the unarmed civilian airliner, which had strayed over Soviet air space in the vicinity of a major military base. He instructed Mr Shultz to seek an immediate and full account of the incident from the Soviet authorities.

Officials said that the U.S. had called off earlier attempts to locate the wreckage, which had fallen in Soviet territory, but that five American F-15 fighters had been sent to northern Japan from Okinawa to protect U.S. aircraft should the search resume.

Mr Shultz gave a detailed account of the downing of the aircraft, apparently put together from U.S. radar tracking and monitoring of



the Soviet pilots' conversations. At least eight Soviet fighters had "reacted at one time or another to the airliner," he said.

U.S. officials added, however, that the airliner had been given no warning.

A grim-fraced Mr Shultz, his voice sometimes quavering, said that Korea Air Lines flight No. 007 had left Anchorage, Alaska, at 1400 GMT on Wednesday on route from New York to Seoul.

"At approximately 1600 hours, the aircraft came to the attention of Soviet radar. It was tracked constantly by the Soviets from that time," he said.

"The aircraft strayed into Soviet air space over the Kamchatka peninsula, over the Sea of Okhotsk and over Sakhalin Island. The Soviets tracked the commercial airliner for some 2½ hours.

"A Soviet pilot reported visual contact with the aircraft at 1812 hours. The Soviet aircraft was, we know, in constant contact with its ground control.

"At 1821 hours the Korean aircraft was reported by the Soviet pilot at 10,000 metres. At 1826 hours the Soviet pilot reported that he fired a missile and the target was destroyed.

"At 1830 hours the Korean aircraft was reported by radar at 5,000 metres. At 1838 hours the Korean plane disappeared from radar screens."

The pilot who shot down the aircraft reported after the attack "that he had in fact fired a missile, that he had destroyed the target and that he was breaking away," Mr Shultz said.

"About an hour later, Soviet controllers ordered a number of their search aircraft to conduct search and rescue activity in the vicinity of the last position of the Korean airliner reflected by Soviet tracking. One of these aircraft reported finding kerosene on the surface of the seas in that area."

Mr Shultz said: "The United States reacts with revulsion to this attack. The loss of life appears to be heavy. We can see no excuse whatsoever for this appalling act."

The White House said that Mr Reagan was in close touch with his security advisers and would continue to stay abreast of developments, but that he had no immediate plans to return to Washington.

Mr Reagan said that he was "very concerned and deeply disturbed" by the incident. The Soviet Union owed the whole world an explanation, he added.

In Washington, Mr Tip O'Neill, the Democratic Speaker of the House of Representatives, denounced the act as "unbelievably barbaric." Other Congressmen warned that U.S.-Soviet arms control negotiations about to resume in Geneva could be severely affected.

"It is going to have a very, very negative impact upon the disposition of the American people and our

Continued on Page 12

Shultz press conference and Tass statement, Page 4

Wage law threat to Brazil debt package

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE BRAZILIAN Government's prospects of securing the passage through Congress of wage limitation legislation regarded as essential for the success of the country's austerity programme looked dim yesterday, following the failure by Sr Antonio Delfim Netto, the Planning Minister, to overcome widespread resistance to the measure within the governing Partido Democratico Social.

The International Monetary Fund and the bank creditors' Advisory Committee are believed to be unanimous in rejecting any premature disbursement of block loans to Brazil, or preparation of new financing, without an assurance that the salary law, Decree-Law 2045, will come into force.

The measure was announced by President Joao Figueiredo in July at a time when Brazil was coming under great pressure from the IMF and the Bank for International Settlements to take effective steps to reduce public sector spending and curb rising inflation.

Decree-Law 2045 limits all salary rises to a maximum of 80 per cent of the inflation index – an index currently lagging behind the rate of actual price rises – and is therefore responsible for a severe squeeze on living standards. It came into effect immediately but requires congressional approval to become law.

The main opposition party, the Partido do Movimento Brasileiro Democratico, is firmly committed to overturning the measure, as are the three smaller left-wing and left-of-centre parties. Together these parties have a small majority in the Chamber of Deputies, the lower house of Congress.

To make matters worse for Sr Delfim Netto and the President, the officially created PDS is racked by internal divisions. A dissident faction, commanding the support of about a quarter of the party's congressional members, has declared its opposition to the salary law.

On Wednesday Sr Delfim Netto warned the PDS that rejection of Decree-Law 2045 would mean more inflation and unemployment, as well as tougher overall adjustments to the economy. Refusing to bargain over the measure, he said that "Without 2045 there won't be any success."

He held out the alluring prospect of a "dramatic fall" in inflation within a year, or "at most a year and a half" if the IMF-imposed measure was passed. Preliminary figures for August show that inflation has reached a new record annual rate of 152 per cent and is likely to be over 170 per cent by the end of the year.

A successful former Finance Minister, Sr Octavio Gouvea de Bulhoes, now a severe critic of the Government's economic policies, spoke on Wednesday of "the danger of a social revolution if inflation is not immediately reduced."

Congress has 60 days to approve the Decree Law following its introduction in the middle of August. If it is not passed by then the President can resort to his overriding, executive powers to bring it into law.

However, this lengthy delay could be fatal for Brazil's hard-stretched foreign currency reserves, as it would mean that no further funds beyond export receipts would be available before the end of October.

Latin American debt talks, Page 4

Western banks and Yugoslavia near $2bn refinance pact

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

YUGOSLAVIA is tentatively expected to begin signing its $2bn new loan and refinancing package from Western bank creditors on September 8 in New York following acceptance of the rescheduling proposals from nearly all 600 banks involved.

All but around 10 of the creditor banks have now accepted the proposals to reschedule some $1.4bn in debts falling due this year and lend the country $600m in new money. More than $570m of the new money element is now committed, bankers in New York said yesterday.

This paves the way for a massive resheduling circus involving the signature of some 30,000 documents in up to eight international financial centres. Yugoslavia's debt structure is so complicated that the signing process could take up to a month to complete.

The loan signing was previously scheduled to begin last Saturday but had to be postponed because at that stage some 50 banks had not accepted the proposals. Even now a further delay is possible, as replies are still awaited from around three critical creditor banks.

If it does go ahead as planned, the hard-pressed country could receive the first $450m tranche of its new money in early October, with the remainder paid out in mid-November in tandem with money from the IMF.

The rescheduling talks have been dogged by delays and difficulties, emanating partly from resistance among banks in the Middle East.

Signs that Middle East resistance may be softening have, however, come this week with reports that the majority state-owned Kuwait Foreign Trading, Contracting and Investment Company has dropped its objections to Yugoslavia pledging gold reserves to the Bank for International Settlements in Basle.

This means that Yugoslavia should be able to draw on the remaining $200m tranche of its $500m BIS loan which has been frozen until now because of the Kuwaiti objections.

Bordeaux wine lots head for bourse

By Paul Betts in Paris

THE FRENCH Bourse Commission has registered 12,500 cases of chateau-bottled Bordeaux wine as marketable investments in a novel scheme launched by a subsidiary of the former Banque Rothschild.

The 250 lots of 50 cases each are being offered from Monday by Laffitte Investissement, controlled by the ex-Rothschild bank, which was renamed L'Europeène de Banque after it was nationalised by the Mitterrand administration.

It is the first time a French bank has provided such an investment instrument, and is aimed at capitalising on last year's exceptional wine harvest in the region.

The lots, priced at FFr 46,000 ($5,670) each, will carry certificates which will enable the investment to be traded immediately. But the cases of wine will be delivered only after five years.

On offer are produce from some of the fabled names of one Bordeaux region including Chateau

Continued on Page 12

Research centre for European computers

BY GUY DE JONQUIERES IN LONDON

ICL of Britain, Compagnie des Machines Bull of France and Siemens of West Germany, three of the largest European-owned computer manufacturers, have agreed to set up a joint institute to undertake research into advanced computer systems.

The institute, to be sited in southern Bavaria, is due to start operating early next year and is expected to employ about 50 research staff within two years. The annual operating budget has still to be decided but is expected to be less than $15m initially.

The costs of the institute and the fruits of its research will be shared between the three companies, which will also continue their own research and development programmes.

The companies said the institute would concentrate on knowledge processing. This field, which is at the very frontiers of today's computer science, involves the development of highly sophisticated machines with limited powers of intelligence.

Work on knowledge processing is also planned as part of the EEC Commission's Esprit research programme and the Alvey research project being undertaken in Britain with the support of industry, the Government and universities. It is not yet clear how the planned institute will relate to those programmes.

The institute is the first joint project between Europe's leading computer companies since the collapse in 1975 of Unidata, a short-lived attempt to pool the computer businesses of Siemens, Philips of the Netherlands and France's Compagnie Internationale d'Informatique.

The exact location of the institute has yet to be decided. Although it will be near Siemens's headquarters in Munich, the companies said that it would be at a "neutral" site.

The institute is expected to draw some of its staff from the three companies. But it will also be free to recruit directly from other fields, including academic and public research laboratories.

Merck to halt arthritis drug's German sales

By Carla Rapoport in London

MERCK, the largst U.S. pharmaceutical company, has agreed temporarily to suspend its anti-arthritic drug, Osmosin, in West Germany pending further investigation into the drug's safety.

A number of deaths are believed to have been associated with the drug's use in both Britain and West Germany since it was launched a few months ago. Merck confirmed last night that the company is currently in discussions with Britain's Department of Health over the drug's use and safety.

A Merck official in the U.S. said last night that the public had been unduly alarmed about Osmosin. "We are confident that the information to be presented will enable the (German) health agency to reassure the public on the safety of the product.

The German health authorities would hold an inquiry into the drug's safety within the next month, Merck said. Until that time, Merck has suspended West German distribution of the drug.

Last year, Eli Lilly of the U.S. withdrew its anti-arthritic drug Opren

CONTENTS

EUROPEAN NEWS

Rumasa chief faces property seizure

BY DAVID WHITE IN MADRID

SR. JOSÉ Maria Ruiz-Mateos, the Spanish businessman, who moved to London after the holdings of his Rumasa concern were expropriated six months ago, now faces expropriation of his own properties in Spain as a result of the latest court moves against him.

On the orders of the Madrid Court which is handling the case, the first steps are being taken towards confiscating houses in the capital and in his home region of Andalucia in order to cover a staggering Pta 100bn ($670m) deposit, which Sr Ruiz-Mateos was last month ordered to pay.

Sr Ruiz-Mateos, who is also involved in a legal wrangle with the Spanish Government in London over the ownership of non-Spanish companies, cannot be extradited because of the lack of an agreement between Britain and Spain.

In addition to issuing an arrest warrant, the court demanded the money to pay for "financial responsibilities" arising out of offences he is alleged to have committed while chairman of Ruiz-Mateos, his wide-ranging banking, wine, tourism and industrial empire.

The charges against him involve currency crimes, accounting fraud, social security fraud, appropriation of unpaid taxes and forgery.

A similar demand was made against a Ruiz-Mateos executive, Sr Jose Diaz Hidalgo.

A third associate, Sr Carlos Quintas facing currency charges was granted bail of Pta 10m, and ordered to pay a somewhat smaller deposit of Pta. 70bn.

Officials have now started work on drawing up an inventory of various of Sr Ruiz-Mateos's properties, including his villa residence outside Madrid.

The public prosecutor's case against the former Ruiz-Mateos chairman has been going on in his absence since mid-April.

Sr José Maria Ruiz-Mateos

Madrid seeks loan facility

BY OUR MADRID CORRESPONDENT

THE SPANISH Government plans to seek parliamentary approval for a special loan facility to help northern industrial areas recover from last weekend's record flood damage, offsetting losses estimated at $3.7bn, not including private property.

As services such as telephone and drinking water supplies returned to normal, provisional government figures put the losses in the industrial sector alone in Bilbao and surrounding areas at $1.85bn or half the total.

The worst hit companies include the Firestone Hispania tyre concern, the steelworks of Altos Hornos de Vizcaya, and many small businesses which lost uninsured stocks.

Against the background of fears that companies may try to take advantage of the situation to carry out closures or cutbacks, unions have been given assurances that flood-hit concerns will be allowed to make only temporary layoffs over the next three months.

However, job losses are expected to be heavy in a region already beset by high unemployment.

Immediate relief measures for companies include new provisions relaxing their social security deadlines and giving them preferential tariffs for replacement equipment.

Agricultural losses from the floods, in which at least 39 people died, are estimated by the Government at $550m and the damage to services at close to $1.3bn. Ninety per cent of the total was concentrated in Vizcaya province.

A decree declaring the area a disaster zone takes effect today.

San Sebastian thrives amid Basque conflict

BY DAVID WHITE, RECENTLY IN SAN SEBASTIAN

LIKE TWO armies, they face each other, the throng of promenade strollers staring down over the white ironwork balustrade at the navels of the beachgoers in their folding chairs. The reason the beachgoers have their backs to the sea is so they can catch the sun, and they are sitting because at high tide there is no room to lie down.

The tourist trade at San Sebastian, in the epicentre of the unrelentingly bloody Basque conflict, has not had it so good for years. Though this year has been just as murderous as last, —three policemen were shot or blown up in the city during June—July occupancy rates were up from 75 to 85 per cent and the hotels are now packed.

A musical month in September, with visiting orchestras, is sold out. At the outlying resorts of Zarauz and Fuenterrabia, which form the northern corners of the Basque country's "trangle of violence," it is the same story. There are no vacancies before mid-September. "We're in trouble," said San Sebastian's Mayor, Sr Ramon Labayen, "as practically everywhere else. Too many people."

With a summer population of 300,000, San Sebastian is the Basque country's cultural, linguistic, gastronomic and tourist capital — and during the Semana Grande summer festival its temporary seat of Government. On opening day, the "flag war" of anti-Spanish demonstrations erupted in its streets, but the fireworks and longboat regattas went ahead as scheduled.

"The city has got used to some degree of violence," Sr Labayen said. The visitors have learnt to live with it. From Gen Franco's death in 1975 up to 1979, San Sebastian's trade suffered. "There were demonstrations every Saturday," recalled the Tourist Board chief, Sr Rafael Aguirre. Cars were burnt. But the last four years have witnessed a progressive return.

Visitors are now more numerous than 10 years ago, but they are not the same people. San Sebastian, with its near-perfect sandy bay, the only one of all Spain's seaside resorts to merit the Michelin Guide's accolade of "worth the trip" is no longer the elegant retreat of royals and dictators. It relies these days on custom from surrounding cities rather than from Madrid and international society.

There are also some Americans, a lot of Italians, and a steady flow of trippers from France, little deterred by currency controls, who provide good custom for what is claimed to be Spain's biggest concentration of restaurants.

Sr Labayen, who holds this stronghold for the conservative Basque Nationalist Party (PNV), was bustling around in shirtsleeves and a sporty hat, starting cycle races and presenting trophies, exuding normality. The festival week had started for him, however, with a nasty blow from a stone thrown by a separatist supporter.

Over 60 others were hurt in the course of that day's flag-burning demonstration. The protest was organised by Herri Batasuna (People's Unity), which is the political arm of the Eta guerrillas. For the first time, the Basque region's newly recruited native force of gendarmes, the Ertzaina, charged the demonstrators.

But a couple of hours later, the street cafes were back in business, as if nothing had happened. "I sometimes wonder if we're not getting over-carefree," Sr Labayen admitted.

At times festivity and protest threaten to become indistinguishable. In the port area, where Basque feelings runs high the merriment was tempered by slogans bedecking the improvised refreshment stands, solemnly hung with the Basques' red, green and white version of the Union Jack, the Ikurrina.

The day after the violent protest, a group of people allegedly including three Herri Batasuna town councillors struck the red and yellow Spanish flag from its mast atop the palatial town hall. The Ikurrina and the town banner, which were left flying, were subsequently taken down on the Mayor's orders.

Madrid has been firm. When the Mayor of Bilbao followed San Sebastian's lead and took down all the flags, police were sent in to put them all up again. This zeal for enforcing constitutional rules about flag-flying has led to a topsy-turvy situation in which the PNV takes down its own emblem, which was banned under Franco, and the Policia Nacional, reconstructed version of Franco's feared Policia Armada, hoists the same Basque flag alongside the Spanish one.

For all the tension, the upshot of the "flag war" is not necessarily negative for Sr Labayen and his party colleagues. It serves at least to draw attention to Basque claims. The clash here is not the same as in the nearby industrial town of Renteria, a former Herri Batasuna fief seized this year by the Socialists.

The nationalist parties are rivals—with the PNV having the upper hand—but they share many common aims. Sr Labayen as a "father" of the Basque country's unique TV channel, which started this year, probably has a good stock of credit with Eta.

He professes calm about the situation—"what else can you do?"—and is crossing his fingers against a real explosion of violence. He is even ready to put the Spanish flag out again when the next occasion arises. But that, the Mayor adds,

Bonn's Social Democrats are split over deployment of new weapons **James Buchan reports**

SPD searches for a compromise on missiles

THE TROUBLE with the town of Saarbruecken is that it is not really on the way anywhere. At the tip of a German peninsula sticking into France, the town is inconveniently placed, which is one reason why the local coal and steel industries are sickly and the supporting trades troubled.

Whether Herr Oskar Lafontaine, the lord mayor of Saarbruecken, is on the way anywhere is another question. One of the few leading Social Democrats from a working-class background, Herr Lafontaine rose quickly by way of the tramways and the local state parliament to become, in 1976, the youngest lord mayor of any German town.

Now 39, Herr Lafontaine is known all over West Germany not for his activities in local government but for his uncompromising hostility to nuclear weapons, and, above all, to the deployment of any more nuclear weapons on West German territory.

As the December deadline for the delivery of a first batch of Pershing-2 nuclear missiles for stationing in West Germany approaches, Herr Lafontaine has gone further than any other Social Democrat politician in his attacks on the Reagan Administration and has publicly raised the question of Germany's membership of Nato.

"People are turning more and more against an alliance which is only bringing ever more perilous weapons into our country," Herr Lafontaine says, in tones both fierce and weary.

"Especialy when one knows the Americans want to wage a nuclear war limited to Europe. If Reagan wants a couple more toys, he could build some submarines. But we are not going to be guinea-pigs for a nuclear war."

Herr. Oskar Lafontaine

It is remarks like these that give nightmares to people in the middle and on the right of the 1m-strong Social Democratic Party (SPD), including Herr Hans-Jochen Vogel, the parliamentary leader who is trying to iron over immense disagreements in the party on what attitude it should take to deployment.

"Not helpful," was Herr Vogel's terse comment earlier in the summer when Herr Lafontaine called for a general strike against the Pershings.

The divisions over the missiles have all but "paralysed" the party, in the words of one party worker, and are certainly hindering attempts to exploit Chancellor Helmut Kohl's difficulties with his own unruly coalition of conservatives and liberals.

At the same time, having tumbled to a disastrous defeat in the March 6 general election, the SPD needs to rebuild its support among the working class and the young—voting groups not necessarily on the same side of the missiles issue.

The irony is that Herr Helmut Schmidt, a Social Democrat chancellor, was a driving force behind Nato's resolve in 1979 to threaten the deployment of 572 missiles in Western Europe —admittedly from distant 1983-1984—should Moscow not agree to reductions in its own intermediate-range missile force, and above all its modern SS-20 missiles.

Yet at a party congress in April of last year, Herr Schmidt had to toss in a threat of resignation to prevent men such as Herr Lafontaine from assailing his policy. The compromise was to delay an SPD decision until the end of this year to allow the U.S.-Soviet talks in Geneva to run up to the Nato deadline. "The really severe test for us will come in the autumn with Nato stationing," Herr Vogel said recently. By that he meant not only what the SPD party congress decides in November but also what drama might unfold on the streets and at the Pershing-2 bases, where some SPD members (including Herr Lafontaine) will line up with the "Peace Movement" and the Greens party against the missiles.

Opposition leader Hans-Jochen Vogel asked West German Chancellor Helmut Kohl yesterday for an assurance that he would not allow the deployment of neutron weapons or missiles with chemical warheads in West Germany, Reuter reports from Bonn.

In a letter to Herr Kohl, Herr Vogel, the parliamentary leader of the Social Democratic Party (SPD), said he wanted the assurance because there were provisions for such weapons in the 1984 defence budget being debated in the U.S. Congress.

Herr Vogel said West Germany was a potential site for chemical weapons and also for neutron missiles which are particularly devastating in population centres

In terms of the party congress decision, Herr Lafontaine's unilateralist "No" to the missiles may have a majority support among party members.

Herr Lafontaine would not tolerate the stationing of missiles even if Moscow accepted the mas part of a Geneva agreement, however, unlikely it might seem.

"We Germans cannot accept that both world powers stuff our country with nuclear weapons as part of their agreements," he says.

However, Herr Vogel is looking for a solution which would keep the party together without breaking completely with a Nato decision. As he puts it earlier in the summer, the party must find the middle way "between the two-third's of the population who are sceptical about the new missiles and the 80 per cent who want us to be good members of Nato."

Security specialists in the party have put forward all manner of suggestions to avoid obliging the SPD to say an outright No: from basing the missiles on submarines, an idea rejected by Nato in 1979, to a delay in the deployment programme to give the negotiations more time. "Social Democrats are very prone to delay," says Herr Lafontaine.

However, many Social Democrats fear an unequivocal rejection of Nato deployment could only encourage what has been termed by a group of SPD academics as a "Gaullism of the Left."

"We must free ourselves from dependence on the two world powers," Herr Lafontaine says. These nationalist tones do not go down particularly well with the centre of the party.

At the same time, the more traditional trade unions in particular, are anxious that the SPD is being dragged from its tradtional constituency in order to pick up the youth vote it lost to the Greens in March.

However, left-wing associates of Herr Lafontaine such as Herr Erhard Eppler have argued that "resistance against the new missiles is the first chance to bring together trade unions, SPD" and the new social movements of the ecologists and others.

W. German protesters blockade U.S. base

BY JAMES BUCHAN IN MUTLANGEN

MORE THAN 2,000 people yesterday courted arrest by helping blockade entrances to a U.S. military base in south Germany in protest against plans to deploy new U.S. nuclear missiles in the Federal Republic.

No attempt was made to remove them by the authorities who appeared to want to avoid confrontation as the deadline for the arrival of the missiles in December approaches.

The protesters, who included some parliamentary deputies of the Social Democrat and Green parties including Herr Oskor Lafontaine, the SPD mayor of Saarbrucken, and such well-known intellectuals as Herr Heinrich Boell and Herr Guenter Grass, the writers, plan to block the two main entrances of the Mutlangen army airfield, near Stuttgart, in shifts until Saturday.

The base is a storage depot and airfield for the 56th U.S. Airfield Artillery Brigade, whose three battalions are equipped with Pershing 1A nuclear missiles. These are expected to be replaced by the longer range Pershing 2 ballistic missile this winter.

A similar blockage began yesterday at Bitburg, near the Luxembourg morder, regarded as likely site for West Germany's Nato allotment of cruise missiles.

The demonstrators who gathered in light drizzle just before dawn — the exact time, 44 years ago, when Germany invaded Poland — found the two main entrances to the base blocked by rolls of barbed wire.

The heavily armed West German riot police inside the base were supplied by helicopter. No vehicle attempted to pass through the demonstrators.

Spokesman among the protesters, some of whom had been living at a "peace camp" nearby since August 6, said on Wednesday that they had learned the Americans had moved the Pershing 1A missiles out of the airfield. The U.S. military would not comment.

Leslie Colitt in Berlin writes: A demonstration in East Berlin by an independent East German peace group to mark world peace day was broken up yesterday by the police when participants tried to form a human chain between the U.S. and Soviet embassies. Four people were arrested and later released.

Nato group reviews arms stance

By Bridget Bloom,

NATO's Special Consultative Group (SCG) of officials meets in Brussels today in preparation for the opening next Tuesday of a new round of the Geneva talks to limit nuclear weapons in Europe.

The current round of negotiations is likely to be the most critical since the talks opened nearly two years ago, for December 31 is the deadline for the deployment of the first U.S. new cruise and Pershing 2 missiles in Europe.

The SCG is expected to review the latest Soviet offer to destroy some of its SS-20 missiles in Europe provided there is no U.S. missile deployment. The offer is not acceptable to Nato as it stands.

President Reagan is reported to be studying a number of options which could result in a marginally more flexible U.S. negotiating position at Geneva.

However, it is believed that he will reaffirm the fundamental U.S. position, which is that there must be equal numbers of medium-range Soviet and U.S- nuclear forces in Europe (whether none or some).

Reduction in Third World deficits forecast

BY JOHN DAVIES IN FRANKFURT

DEVELOPING countries are likely to make a further big reduction in their balance of payments deficits this year, as their export earnings begin to pick up.

Deutsche Bank, West Germany's biggest commercial bank predicts that developing countries, excluding major oil exporters, may cut this year's total deficit to $55bn (£36.7bn).

This would be $20bn less than last year and nearly $40bn lower than in 1981.

Even so, Deutsche Bank believes the international financial system still faces enormous demands and that debtor nations must continue—or in some cases intensify—their financial adjustment.

The bank says that prospects for a widespread but gradual economic upswing have improved as a result of signs of recovery in the U.S. and other industrial countries.

Foreign currency earnings of developing countries, which fell about 3 or 4 per cent last year, are likely to increase this year as their export sales improve, the bank says.

It is important, Deutsche Bank says, that industrialised nations open up their markets to goods from developjing countries instead of adopting protectionist measures.

Many developing countries will have to use their increased currency earnings to reduce their payments deficits and are therefore likely to increase imports only a little if at all, the bank says.

Latin America's imports, which shrank by 20 per cent last year, are likely to decline further this year, it says.

Developing countries face a lower bill for oil imports, as a result of the decline in prices and measures to cut down oil use, partly through substitution of other energy forms.

Lower interest rates will also reduce the burden on developing countries this year,

Portugal suffers sharp increases in food prices

BY DIANA SMITH IN LISBON

PORTUGUESE workers returned yesterday from their traditional August holiday to 30 per cent increases in public transport fares, a 20 per cent increase in water prices and escalating food costs.

Soaring prices of beef which now costs Esc 1,000 (£5.45) a kilo for best cuts, and eggs—now Esc 120 a dozen (65p) reflect the drastic pruning of subsidies on animal feed prices by Sr Mario Soares' government in July.

In an effort to curb soaring public deficits, the government said it was slashing subsidies on milk, sugar, rice, fertiliser and animal feeds and allowing their prices to rise accordingly.

Prices of some fertilisers leapt by as much as 85 per cent. The price of a litre of milk rose by 48 per cent.

Shortly after taking office the government of Sr Soares raised electricty, telephone and postal charges, and increased the price of petrol—now among the most expensive in Western Europe—to £1.98 a gallon.

Despite the impact of such measures on a nation where the minimum wage is the equivalent of £70 a month and £150 a month is considered a high industrial wage, reaction to the attack on purchasing power has been minimal.

The government says the alternative would have been national bankruptcy. It recently concluded a $480m (£320m) standby agreement with the International Monetary Fund, which requires greatly-reduced budget and current account deficits.

Italian Government ends engineering pay dispute

BY JAMES BUXTON IN ROME

THE Italian Government led by the Socialist Sig Bettino Craxi yesterday scored an important success in the economic field by ending a long running pay dispute involving the country's 1.5m private sector engineering workers. They won a small increase in basic pay and some reduction in working hours.

After a 23-hour marathon negotiating session under the auspices of Sig Gianni de Michelis, the Labour Minister, the engineering employers' federation and the metal workers' union signed a wage contract covering the period to the end of 1985.

The last three-year wage contract with the metal workers expired at the end of 1981 and was not renewed because of the overriding importance of obtaining an agreement on the future of the Scala Mobile wage indexation system, which was only achieved in January this year.

Since then the dispute between the engineering employers and the union has often been acrimonious.

In the event, after the August break and a concentrated negotiating session, both parties have agreed to modify the draft proposal put to them by Sig de Michelis' predecessor Sig Vincenzo Scotti in July and curtly rejected by the employers. The employers have made some concessions on working hours, while the union has given ground on the amount of overtime the employers can require in the event of an increase in demand.

Warsaw media plays down demonstrations

By Christopher Bobinski in Warsaw

POLAND'S mass media yesterday played down the demonstrations in several Polish cities held to mark the third anniversary of the Gdansk accords, which gave rise to the Solidarity trade union, and declared the underground movement's call for a two-hour boycott of public transport a failure.

In Krakow thousands of Solidarity supporters in the steel-making Nowa Huta district clashed with riot police for several hours on Wednesday. The press insisted yesterday that mere hundreds had been involved.

Nevertheless, the local police headquarters did issue a statement yesterday "apologising" to inhabitants for the "discomfort caused by the necessity of using tear gas to ensure law and order."

In the southwestern city of Wroclaw, too, police headed off and dispersed a march by thousands of demonstrators, while in Gdansk thousands of chanting union supporters were dispersed after a mass meeting early on Wednesday evening.

Although the underground movement is able to declare that its boycott was a success with many people deciding not to use the buses and trams, the scale of the demonstrations in at least six cities was smaller than a year ago.

Wednesday's anniversary celebrations were the first major confrontation between the authorities and the Solidarity movement since the lifting of martial law in July and the Pope's visit to Poland in June.

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Police foil beer plot

A PHYSICIAN who allegedly sought to finance a coup in Surinam has been arrested in a plot to extort $20m (£13.3m) from Heineken Brewers by threatening to adulterate its beer, Dutch police confirmed yesterday, according to AP in The Hague.

Hendrikus Doerga, 41, was taken into custody Monday near a telephone booth from which he allegedly made the last of about 16 threatening telephone calls to the brewers' headquarters in the nearby town of Zoetermeer, according to national police spokesman Albert Folgerts.

After his arrest, Mr Doerga, a Surinamese-born Dutch citizen, said he opposed the regime of Surinamese strongman Desi Bouterse, and wanted money to mount a counter coup against him, according to Mr Folgerts.

Judicial authorities say they are convinced that no Heineken beer adulterated during the plot is in circulation.

Howe hopes to heal rift with Spain over Gibraltar

BY DAVID TONGE IN LONDON AND DAVID WHITE IN MADRID

AFTER six frosty months, Britain and Spain hope to lay the ground for an eventual solution of the Gibraltar problem when Sir Geoffrey Howe, the British Foreign Secretary, meets Sr Fernando Moran, his Spanish counterpart, in Madrid next week.

Throughout the summer the two countries have been having to pick up the pieces left behind after Sr Moran's talks with Mrs Margaret Thatcher, the British Prime Minister, in March. British officials restrict themselves to talking of their "disappointment" at that visit, but it is clear that the visit was as if a Spanish bull had entered Mrs Thatcher's china shop.

Sr Moran came to London set on achieving "clarifications" of the 1980 Lisbon Statement signed by both countries. That agreement implicitly committed Britain to talks on Spain's claims to sovereignty over Gibraltar and saw Spain agreeing to lift the frontier restrictions introduced by General Franco in 1969.

Hopes that this agreement would end the 270-year quarrel between Madrid and London have so far foundered because of differing interpretations of the agreement. Britain argues that negotiations with Spain should follow the opening of the border.

Spain insists the agreement should be taken as a whole and that the suspension of restrictions should be matched both by negotiations on sovereignty and by Britain giving Spain "reciprocity and full equality of rights."

The clarifications requested by Sr Moran were seen by Britain as amounting to asking for a virtual renegotiation of the Statement.

Relations took a further turn for the worse when Spanish officials reacted to HMS Invincible's visit to Gibraltar in April withthe indignation which Drake might have shown at the arrival of the Spanish Armada.

However, a quiet summer has followed as Britain has kept a low profile and the Spaniards have realised they have no alternative to dealing with a re-elected Mrs Thatcher. They have also been stating in public the need to take account of the wishes of the 50,000 Gibraltarians.

Sr Moran has repeated that sovereignty "has to be resolved in a form compatible with the interests of the population." One of his aides has said: "We realise we cannot get Gibraltar back unless the Gibraltarians agree."

The one thing common to both sides' positions is that each claims the ball is now in the other's court.

After the partial opening of the Spanish-Gibraltar border last December—a move benefiting the tradesmen on the Spanish side—Spain's Socialist Government clearly feels too vulnerable to domestic attack from a still untamed army to risk what might be seen as further unreciprocated concessions.

Sr Moran has set forward two steps he would like from Britain, the granting of European Community status to Spaniards in Gibraltar and resolving problems Gibraltar's airport causes to airports on the Costa del Sol.

Britain sees no way of giving Spaniards rights to work in Gibraltar earlier than they would receive them following accession to the Community with the subsequent transition period for labour movement that this will certainly involve —particularly given current unemployment levels in La Linea.

There, is, however, a possibility that it would ease restrictions on Spaniards buying property in Gibraltar. This move would be of more symbolic than real importance given the shortage of housing on the Rock.

For the British some hope lies in Sr Moran's indications that Spain might ease some of the remaining restrictions as part of an overall negotiating strategy. He has sugested that it was unhelpful "to tighten the screws" on the Gibraltarians. He also appreciates the support Britain has given to Spain's efforts to join the European Community.

Britain's own interest in Spanish contracts—it is keen to sell the Tornado multi-role aircraft and Rapier missile system to Madrid—weighs less heavily with British policy makers than the country's obligations to the Gibraltarians themselves.

Sir Joshua Hassan, the chief minister, has been voicing the restlessness many Gibraltarians feel as they see Britain reducing its involvement on the Rock by going ahead with plans to turn the Royal Navy dockyard over to commercial hands at the end of next year.

This is turn ties British hands and makes British concessions hard to offer. It also explains why British officials see next week's Madrid meeting on Gibraltar as crucial if the personal relations and trust necessary for solving the issue are to be re-established.

OVERSEAS NEWS

Lebanese soldiers comb streets of West Beirut after re-entering in force. Heavy fighting continued as the army recaptured its positions.

Lebanese army mops up militia resistance

BY NORA BOUSTANY IN BEIRUT

THE Lebanese army was yesterday mopping up scattered pockets of Moslem militia resistance in West Beirut as Mr Walid Jumblatt, the Druze leader, declared from his self-imposed exile in Damascus that a state of "war" existed between Lebanon's Moslem and Christian communities.

Mr Jumblatt accused the Christian president of Lebanon, Mr Amin Gemayer, of "cheating," and said there was no room any longer for any dialogue. "We consider ourselves in a state of war with Gemayel," he said.

Armed personnel carriers and tanks stood guard at most crossing points between predominantly Christian East Beirut and the Moslem West.

However, sporadic bursts of gunfire rang out through the city and there was continued shelling of East Beirut including the presidential palace at Baabda by Syrian and Druze artillery in the mountains around the capital.

The Lebanese army, to the surprise of many observers, appears to have successfully flushed out the coalition of Shi'ite, Sunni Moslem and Druze militias from their positions around the Greenline area dividing the city.

U.S. officials said they believed the Lebanese army had acquitted itself "very well" in crushing the groups of militiamen. They hinted that the army might be able to extend its operations outside of Beirut.

The Lebanese army which is predominantly Christian, has in the past few years, since the civil war of 1975-76 been largely overshadowed by the Phalangist Lebanese Forces built up by the late Mr Bashir Gemayel, the current president's assassinated brother. The Lebanese army has not been renowned as an effective fighting force until now.

The key question is whether the army will be able to hold to what it has achieved in Beirut and extend its operations to the areas around Beirut.

In particular, there is speculation as to whether it will be able to take over from the Israelis in the Chouf mountains when the Israelis withdraw to their defensive line along the Awali river near Sidon, probably on September 8.

Some Moslem leaders were licking their wounds yesterday. Mr Nabih Berri, leader of the Shi'ite Amal militia said: "We would have liked the army to enter with rice and roses instead of bullets."

He charged that a "major crime" had been committed and called for an investigation into the carefully orchestrated army operation. Mr Berri claimed that an agreement had been reached with the government on Tuesday to resolve the conflict through negotiations.

The successful drive by army forces came as a great surprise to leaders like Mr Berri who had apparently thought that Moslem militia attempts to take over positions around the Greenline area had been successful.

Manila orders importers to defer payments

BY EMILIA TAGAZA IN MANILA

HE PHILIPPINES Government, reeling from a chronic shortage of foreign exchange, has ordered importers to defer up to 180 days their payment to foreign suppliers.

The central bank has asked importers to use deferred letters of credit that will enable them to pay for purchases up to 180 days after the actual delivery of imported goods. Under present arrangements, imports are paid within 90 days.

The central bank move is an attempt to reduce the country's outstanding short-term foreign liabilties and in order to comply with commitments made to the International Monetary Fund (IMF) under an existing standby credit arrangement.

Early this year, the Philippines obtained a soft package from the IMF consisting some $340m (£226m) in standby credit and $200m in compensatory financing.

The financing package is hoped to help the Government tide over the gaping balance of payments deficit which last year hit a record $1.1bn.

Economic officials had hoped to reduce this to $600m but it has now become obvious that the figure will be nearer $800m.

The Government is thus resorting to all possible austerity measures to conserve foreign exchange.

The country's short-term debt is officially recorded at $4.64bn as of March this year, consisting largely of trade-related revolving credits. The Philippines' total outstanding foreign debts stand at some $18bn.

The central bank had earlier issued other orders designed to save precious dollars. These include:

- Import control measures including one that requires importers to pay the full amount of duties and taxes due on their imports on opening of letters of credit with their banks;
- The reduction of commercial banks' foreign exchange holdings and the sale of the excess dollars to the central bank.

Also earlier this year, the central bank introduced a raffle scheme meant to attract more dollar earnings of overseas workers. The Government estimates that last year, Filipino expatriate workers earned about $1.6bn but only half were changed through the banking system.

The rest disappeared in the black market.

Indonesia seeks curb on spot crude sales

By Chris Sherwell in Singapore

FOREIGN OIL companies operating in Indonesia are to be asked by the Government to limit their sales of crude on the spot market, apparently to help head off a return to price instability.

Mr Judo Sumbono, President Director of Pertamino, the state oil corporation, said that President Suharto had instructed him to co-ordinate all oil exports, including those controlled by more than 40 oil companies operating in the country.

Under production-sharing contracts negotiated with the Government, foreign oil producers receive a predetermined ratio of the oil they produce once their costs are covered. This ratio amounts to 15 per cent, which the companies are expected to dispose of as they wish.

Mr Sumbono was quoted yesterday as saying that foreign contractors would be asked for their understanding of these agreements "in the interests of market stability."

Zimbabwe may free detained officers soon

By Our Havare Correspondent

THE SIX white Zimbabwe Air Force officers redetained after their acquittal on Wednesday on charges of complicity in the sabotage attack on Thornhill Airbase last year, may be released in the next few days.

One Minister was reported as forecasting that the men would be set free in the next 24 hours but there was no official confirmation from the Government of Mr Robert Mugabe, diplomats, or lawyers.

The six officers were issued with indefinite detention orders immediately after their High Court acquittal on Wednesday.

A British Government spokesman confirmed yesterday that Britain's High Commissioner in Harare, Mr Martin Ewans, had been instructed to clarify the situation urgently amid reports that Britain and the U.S. were taking an extremely serious view of the redetention of the men.

Defence lawyers seemed cautiously optimistic that the detentions would be only temporary and there was speculation that the men were being held while the "modalities" of their release were being arranged.

One interpretation was that the authorities were anxious to arrange the details of pensions, payment of air fares, and possible compensation prior to the release. Four of the six men have dual British-Zimbabwean nationality.

Diplomats said the fact that Mr Mugabe is due to visit Ireland, the U.S. and Canada next week and meet President Ronald Reagan on September 13 had added to the pressures making for an early release of the officers.

Quentin Peel adds: Mr Malcolm Rifkind, Minister of State at the Foreign Office, yesterday called in the acting Zimbabwean High Commissioner to express official British concern at the redetention of the air force officers.

"I intend to put our very strong feelings on this subject to him, and ask him to make urgenet representations to his government in Harare," Mr Rifkind said

He declined to comment on any possible action that might be taken in response, saying that the main concern was to clarify the Zimbabwe government's action.

Charles Smith in Tokyo describes an ambitious plan to restructure a vital industry

Japan fights to rationalise petrochemicals

EUROPEAN petrochemical producers—who are still struggling to achieve a much-needed rationalisation of their own beleagured industry — can at least comfort themselves with the thought that they are not alone.

For, despite its formidable reputation as an industrial powerhouse, Japan faces a similar problem: how to rescue a group of 10 to 12 materials processing industries which grew rapidly during the 1960s and early 1970s but became hopelessly uncompetitive in the era of high oil prices.

The petrochemical industry, whose 40-odd companies lost an estimated Y150bn (£408m) in 1981 and almost as much last year, as Japan's international trade balance in petrochemicals slipped into the red for the first time since the mid-sixties, is a classic example of the dilemma.

The fundamental problem the petrochemical manufacturers face is the same as that of their opposite numbers in Europe. Both industries use naphtha as their basic feedstock, unlike the newer petrochemical industries of Canada and the U.S. which use ethane, the feedstock based on natural gas. Both the European and Japanese industries have suffered from the gap which has opened during the past decade between the world market price for naphtha and that for ethane.

Being a naphtha, rather than an ethane-based industry, however, is not enough to explain all the woes that Japanese petrochemical manufacturers have experienced during the past three years.

The industry has borne the additional burden of having to pay a premium for its naphtha over world market prices as a result of the Japanese Government's policy of protecting the "strategic" oil refining industry, many of whose members, ironically, are engaged in petrochemical manufacturing as well. Finally, Japanese petrochemical companies tend to be small and numerous, rather than few and powerful, with the result that price cutting within the industry is endemic.

When Japan began to develop *its petrochemical industry* in the mid-1950s with the aid of technology bought from the West, only four groups (Mitsubishi, Mitsui, Sumitomo and Nisse Kagaku) were involved in the first round of investments in naphtha cracking facilities. In the next decade however the number of independent crackers multiplied threefold as the Ministry of International Trade and Industry followed a policy of deliberately encouraging newcomers to enter the industry.

The result today is that Japan has no fewer than 12 independent and fiercely-competing operators of ethylene centres, including two belonging to the *Mitsubishi commercial and* industrial empire and two closely affiliated to the Mitsui group. Up to 20 companies are involved in the production of some of the more important derivatives such as high and low density polyethylene. Yet the industry's largest manufacturer, Mitsubishi Petrochemical, ranks only 38th in the league of international chemical companies.

The fragmentation of the Japanese petrochemical industry seems to have made reasonably good sense during the first two decades of the industry's life when Japan's gross national product was chalking up annual growth rates of 8 to 12 per cent and demand for petrochemicals was outpacing the growth of the economy by anything up to four and a-half times. Today's situation could scarcely be more different.

Japanese economic growth since 1975 has averaged less than 5 per cent and demand for plastics—reflecting the remarkable success of Japanese electronics manufacture in minituarising their products—has slipped to only 0.7 per cent of GNP growth. The result has been hyper-competition among petrochemical producers or, in more every day language, pricing policies that should logically spell the eventual bankruptcy of every company in the industry.

Ultra competitive prices should have helped Japanese petrochemical manufacturers to hang on to their once impressive share of the markets of South East Asia, had it not been for the efforts of nations such as South Korea and Taiwan to become petrochemical producers in their own right. Partly because of competition from neighbours who were originally customers, and partly because of *the rise of low cost producers* in North America, Japan exported less than 10 per cent of its petrochemical production in terms of ethylene equivalent) in 1982, compared with 20 per cent in its heyday.

The counter-measures which the manufacturers have taken during the past year to cope with the crisis have included a nine-month "production cartel" under which the entire industry is cutting back its ethylene output, with the approval of Japan's Fair Trade Commission. In addition, under a complex deal agreed by the Ministry of International Trade and Industry, there has been a marginal reduction in the price at which naphtha is bought from the oil refining industry.

With the aid of these two props the industry should be able to scrape through 1983 with losses slightly less than last year's and without any major company going bankrupt. Beyond that, survival will depend on the success of an ambitious restructuring programme worked out by Miti.

The Miti plan proposes a drastic cut of 36 per cent (2.93m tonnes) over the next two years in Japan's ethylene annual production capacity and a roughly similar scrapping of facilities for most of the main derivatives, including a 22 per cent cut in annual polyolefin production. The plan also provides for "production consolidation" within the different sectors of the industry under which companies might agree to "swap" their individual capacity scrapping obligations.

This will result in plans where company A with a single modern plant makes no cuts at all while companies B and C, with several older plants shoulder more than their "fair" share of the cuts in return for a cash payment from company A.

But shut-downs in the chemical industry have often meant just mothballing a facility until better times. Miti's plans show *that the agency means business.* Its plan calls for the dismantling of burners and manhole covers of cracking facilities; dismantling of pipes for raw materials as well as the rotors and a part of all of the casing of gas compressors. This must be achieved by May, 1985.

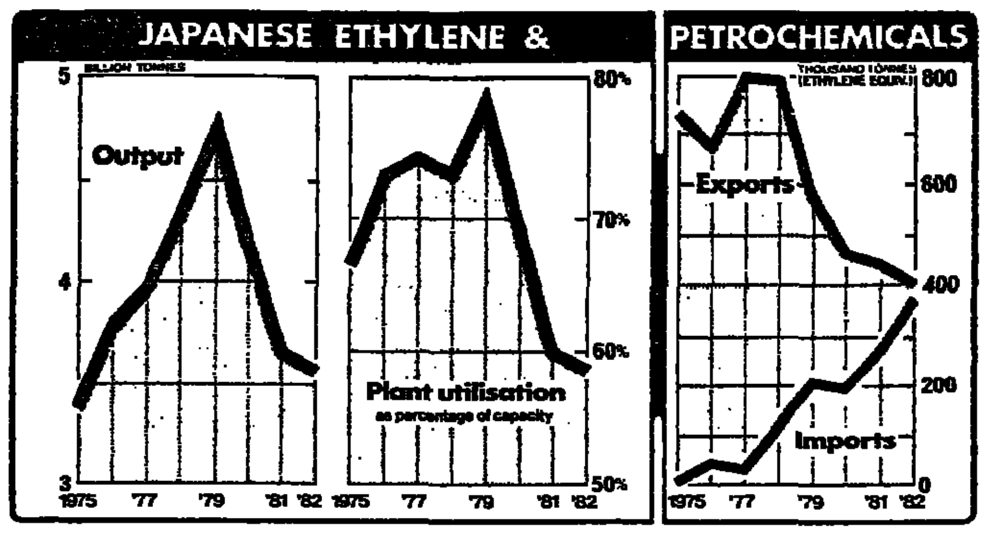
Japan's 12 ethylene producers have already suspended some of their operations and have formed four sales groups to market their product. For example, Sumitomo Chemical has suspended operations at Niihama and at Chiba and will instead obtain naptha from Maruzen's larger and more economical Chiba plant at favourable prices. Meanwhile, Mitsubishi Petrochemical intends to scrap its 35,000 tonne high-density polyethylene plant at Yokkaichi in the next couple of months.

Miti's success in persuading the petrochemical companies to work on a joint survival programme reflects the fact that the companies in the industry could not have continued fighting for shares of a grossly overcrowded market without eventually driving each other out of business.

It also reflects what Japanese businessmen refer to as the Ministry's superb "bureaucratic know-how."

During two years of patient work on the petrochemical plan the Miti basic chemicals division lobbied bankers, trade unionists, politicians and journalists in support of its policies while negotiating an endless series of complex deals with the petrochemical companies themselves.

The moral of the Japanese petrochemical story for European readers is that other nations could do with the same kind of expertise. But Miti could prove to be one Japanese commodity that is unfortunately not for export.



HOW CAPACITY WILL BE CUT

	Actual capacity in August 1982 '000 tons	Capacity to be scrapped by August 1985 '000 tons	Scrapping ratio %
Ethylene	6,347	2,293	36
High density polyethylene	1,667	603	36
Low density polyethylene	1,007	268	27
Styrene monomer	1,761	430	24
Acrylonitrile	810	259	32
Ethylene oxide	743	201	27
Polyvinyl chloride	2,007	490	24

Note: Polypropylene and polystyrene capacity will remain unchanged.

Source: Industrial Structure Council Report

AMERICAN NEWS

Carter lets Mondale off the hook graciously

By Reginald Dale, U.S. Editor, in Washington

A LONE trek to the remote north Georgia mountains has enabled Mr Walter Mondale to resolve an irksome dilemma that has been nagging his campaign for next year's Democratic Presidential nomination.

Mr Mondale's problem was how closely he should associate himself with former President Jimmy Carter, whom he served as Vice President until January, 1981.

By distancing himself from Mr Carter's policies as he has done, Mr Mondale risked appearing disloyal, and alienating southern voters. By failing to do so, on the other hand, he risked emphasising his connection with what many Americans still regard as a weak and unsuccessful presidency.

At his new log cabin at the southern end of the Blue Ridge Mountains on Tuesday night, Mr Carter graciously, and publicly, let Mr Mondale off the hook. The Minnesotan Mr Mondale, Mr Carter said, was "compatible with the philosophy of the south"—through his attachment to "fiscal integrity" and a strong defence—and very much his own man.

"It's obvious that no candidate who hopes to be president of the United States would permit himself or herself to be stigmatised as subserviant to the policies of someone else," Mr Carter told reporters who had gathered at the mountain housing development.

Mr Mondale appeared to be pleased by the suggestion that he was not "too liberal" for voters in the south, where he was trailing behind his main rival, the more middle-of-the-road former astronaut John Glenn, in a recent poll.

After starting out as the clear front runner, Mr Mondale has seen one-time national hero Mr Glenn catching up fast. Mr Mondale is still ahead of Mr Glenn by 42 to 27 per cent in the bidding for the nomination among registered democrats, but Mr Glenn runs better in test polls against President Ronald Reagan.

Peronist disarray over candidate

BY JIMMY BURNS IN BUENOS AIRES

ARGENTINA'S largest political grouping, the Peronists, were in virtual disarray yesterday, less than 48 hours before the scheduled start *of their first legalised* party convention in seven years of military rule.

Nine days ago, Sr Italo Luder, a former senator, emerged as the clear favourite to win the party presidential candidacy this weekend after Sr Antonio Cafiero, a former economy minister and one of his main rivals for the nomination, announced that he was seeking a lesser post.

But the party has been plunged into confusion amid mounting speculation of the imminent return to Argentina of Maria Estela "Isabelita" Peron, the titular head of the party and the country's last civilian president.

Argentine newspapers yesterday reported that the military junta was preparing to drop court charges pending against Sra Peron for her alleged embezzlement of public funds, because of which she is excluded from public office. The move could pave the way for the endorsement of her candidacy by the *Peronist convention.*

Sra Peron was put under house detention after the military coup of March, 1976, and has lived in exile in Madrid since 1981.

She has made no public pronouncement about her political intentions nor confirmed her alleged plan to return before the convention. But several leading Peronists have said that they would support her nomination, even if the junta does not lift the court ban.

In spite of having been widely held responsible for the financial and political chaos which led to the coup, Isabelita is strongly supported *by orthodox right-wing Peronists*, who see her as the "legitimate" leader because of her marriage to the late General Juan Peron, the party's founder. General Peron died in 1974 after his controversial return from exile failed to prevent a violent outbreak of terrorist activity between rival Peronist factions.

The party was deeply split last weekend over the nomination of a former mayor, Sr Herminio Iglesias, as the party's candidate for the Governorship of Buenos Aires. Sr Iglesias is unpopular with left-wing and moderate sectors of the party because of his alleged links with *right-wing union officials and his* alleged involvement in the capital's illegal drugs and prostitution trade.

SHULTZ ACCUSES MOSCOW OF ATTACKING AIRCRAFT

'No excuse for this appalling act'

THE FOLLOWING is the edited text of the briefing by Mr George Shultz, U.S. Secretary of State to reporters on the disappearance of the South Korean airliner in Soviet airspace:

"At approximately 16.00 hours Greenwich Mean Time, the aircraft came to the attention of Soviet radar. It was tracked by the Soviets from that time. The aircraft strayed into Soviet air space over the Kamchatka Peninsula and over the sea of Okhotsk and over the Sakhalin Islands.

The Soviets tracked the commercial airliner for some 2½ hours. A Soviet pilot recorded visual contact with the aircraft at 18.12 hours. The Soviet aircraft was, we know, in constant contact with its ground control. At 18.21 hours the Korean aircraft was reported by the Soviet pilot at 10,000 metres. At 18.26 hours the Soviet pilot reported that he fired a missile and the target was destroyed.

At 18.30 hours the Korean aircraft was reported by radar at 5,000 metres. At 18.38 hours the Korean aircraft disappeared from the radar screen. We know that at least eight Soviet fighters reacted at one time or *another to the airliner.* The pilot who shot the aircraft down reported after the attack that he had in fact fired a missile, that he had destroyed the target and that he was breaking away.

About an hour later, the Soviet controllers ordered a number of their search aircraft to conduct search and rescue activities in the vicinity of the last position of the Korean airliner as reflected by Soviet tracking. *One of these aircraft* reported finding kerosine on the surface of the sea in that area.

During Wednesday night United States State Department officials, particularly Assistant Secretary Richard Burt, were in contact with Soviet officials seeking information concerning the airliner's fate.

Question: Will this make any difference to the way the United States deals with the Soviet Union. For example, your meeting with foreign Minister Andrei Gromyko?

Answer: Well, I certainly will want to meet with Foreign Minister Gromyko and hear what he has to say about this. Of course, we expect to hear from the Soviet Union long before

Q: Is the United States in touch with Moscow at all on the hot line or in any presidential contact in this case?

A: No. This information that we *have has come into our* hands after the shooting down of this plane.

Q: Have you spoken to the President about this matter and what did he say?

A: I haven't spoken to the President *as yet.*

Q: Mr Secretary, can you tell us was there any warning given by the Soviets?

A: I should say, the President was fully informed, and I've talked to the west coast, and *the President knows* all about this, and he's been kept fully informed.

Q: Mr Secretary, can you tell us did the Soviet Union give any warning to this aircraft and request it to land or try to force it down before it shot it down?

A: We have no evidence of that. There was apparently no ability to communicate between the two aircraft. But as the statement says, the Soviet aircraft that shot the commercial airliner down moved itself into position with a visual contact with the aircraft, so that with the eye you could inspect the aircraft and see what it was you're looking at.

Q: Do you know whether the Soviets tried to force the aircraft down without using missiles?

A: We have no information about, and, as I said, as far as we can see there was no communication between *the two* aircraft, except that they tracked this aircraft for 2½ hours. At least eight fighters at one time or another were around in the vicinity, and the aircraft that shot the plane down was close *enough for a visual inspection*

Q: Has any announcement of any particular kind of Soviet military exercises or manoeuvres or super-sophisticated radar that might have been in the area, and that they had warned everybody to stay away from?

A: No.

Q: Was the decision to shoot this plane down made at a fairly top level since they were tracking it for a long time?

A: We gave you the facts as we have them at this point, and I can't go beyond the facts that I have here. I'm not going to speculate about it. I'm trying to put forward the facts as we know them and to tell you the U.S. Government attitude and my own attitude toward the shooting down of a commercial airliner.

Q: Mr Secretary, do you have any sense as to whether there would be any political motivation for this beyond what you know of?

A: I can't imagine any political motivation for the shooting down of an unarmed airliner.

MOSCOW — TASS, the Soviet news agency, issued the following account of the airline's disappearance:

"An unidentified plane entered the air space of the Soviet Union over the Kamchatka Peninsula from the direction of the Pacific Ocean and then for the second *time violated the air space of the USSR over Sakhalin Island on* the night from August 31 to September 1.

"*The plane did not have navigation lights, did not respond to queries and did not enter into contact with the despatcher service.*

"Fighters of the anti-aircraft defence, *which were sent aloft towards the intruder plane, tried to give it assistance in directing it to the nearest airfield.*

"But the intruder plane did not react to the signals and warnings from the Soviet fighters and continued its flight in the direction of the Sea of Japan."

Chilean opposition to continue protests

By Mary Helen Spooner in Santiago

CHILE'S OPPOSITION coalition, the Democratic Alliance, has refused to call off a fifth national day of protest scheduled for September 8 against General Augusto Pinochet's regime, in the wake of Tuesday's assassination of Santiago's military *governor,* General Carol Urzua.

Sr Gabriel Valdes, leader of the Democratic Alliance, condemned the assassination, but said that the monthly anti-Government protests *would continue as long as* there was no "fundamental change" in Chile. The Democratic Alliance has urged the formation of a provisional civilian military government for 18 months, *which* would plan the basis for democratic rule.

Chile's pro-Government groups are in the process of forming their own political organisation and are planning a mass demonstration on *September 9 to* express their support for General Pinochet and the country's three-year-old *constitution,* which was passed in a controversial plebiscite in 1980.

Senior Chilean officials have *indicated the Government* will not reimpose the state of emergency in reaction to General Urzua's assassination. The state of emergency, invoked in 1973 and lifted only last week, gave the *regime* powers to arrest and hold suspects in custody for up to five days without charges.

Sr Alfonso Marquez de la Plata, Government Secretariat Minister, said the killing would *not* stop the regime from continuing its plans for a gradual easing of political restrictions. Such a reaction, he said, would be precisely what the terrorists were seeking.

***Police made hundreds of* arrests in several working class areas of Santiago during the search for the terrorists, whom Chilean authorities believe to be members of an extreme left-wing group.**

There are *some suspicions* that the terrorists were not left-wingers, but members of Chile's extreme right.

OAS meeting plans joint debt approach

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE MEETING of the Organisation of American States to discuss the Latin American debt crisis, due to start in Caracas next week, promises to be an historic event. For the first time *countries in South* and Central America and the Caribbean are meeting at ministerial level to plot a common response to their economic plight, the worst *for* 50 years.

Some Western bankers have dismissed the OAS gathering as "a non-event," or have insisted, as the U.S. privately argues, that the heavily indebted coun*tries of Latin* America would be better off negotiating their financial problems directly with their creditors rather than striking joint postures.

But the region's $300bn foreign debt, over a quarter of which is owed to U.S. banks, could be a powerful weapon in the hands of hard-pressed nationalist politicians — and Washington knows it. After some hesitation, the U.S., a full member of the OAS, has decided to attend. It is sending a delegation headed by Mr Beryl Sprinkel, the Treasury Under-Secretary, a hardliner on rela*tions with the developing world.*

Most countries will be represented by their Finance Ministers. Sr Ernane Galveas, the Brazilian Finance Minister, was to have attended, but has pleaded pressing commitments *and is sending his deputy,* Sr Mailson Nobrega, instead.

The Brazilian attitude towards the idea of a Latin American "debtors' club" has been sceptical from the start. When the idea was first launched by Venezuela last October, Brazilian officials were convinced they could resolve the country's liquidity problems much better on their own.

Ministers went to great lengths to stress that Brazil *should be treated differently* from the other "irresponsible countries" of the region. The recent change of heart by the world's largest debtor country —owing approximately $90bn—gave the Venezuelan proposal *the momentum it needed to* ensure that the conference would take place. The broadening of Brazil's diplomatic strategy in dealing with the International Monetary Fund and its creditor banks, and the need to *show solidarity with its fellow* Latins were the reasons for the Brazilian switch.

Brazilian officials still have their misgivings. "It is very dangerous for Latin America to have a meeting like this, when it is clear there is no common approach to the problem. There are three or even four national *points of view on how to tackle* the issues," a senior Foreign Ministry official said last week.

In practical terms the results could well be minimal, the Brazilians think. "There is no possibility of the Latin American bloc making proposals which would reflect the real positions of their countries," one Brazilian diplomat said, if *for no other reason than that* there has been little advance preparation or coordination of positions.

In the absence of groundwork, Brazil and several other more cautious countries fear the *conference will become a forum* for emotional speech-making by cash-strapped countries with little to lose. At such a sensitive time in the region's affairs, when IMF-imposed austerity programmes are beginning to bite, a *chain reaction could* easily develop.

The agenda for the five-day meeting, prepared by the OAS secretariat in Washington, *highlights* the question of external financing, but lays considerable *stress on the need to find ways* to strengthen regional development institutions and promote economic and social development.

What will not be discussed is the most thorough document prepared on the foreign debt issue as it affects the region: a study published in May in response to a request by President Osvaldo Hurtado of Ecuador.

This report will form the basis of a second conference in Caracas a week later, hosted by its authors Sela, an intergovernment consultative body, and Ecla, the UN Economic Commission for Latin America.

The document makes a series of specific proposals designed to overcome the refinancing problems many Latin American countries are encountering.

But although the study will not be discussed, the OAS conference will still provide a public platform for debtor *countries to complain about the* injustices of the Western world's economic and financial system.

WORLD TRADE NEWS

W. Germans dismiss Japan drug challenge

BY JOHN DAVIES IN FRANKFURT

THE PHARMACEUTICAL industry in West Germany is confident it can hold onto its world markets, with little fear of being overtaken by Japanese competition.

It has dismissed any suggestion that the Japanese could swamp rivals in this field, as they have already done in optical products and consumer electronics.

The Pharmaceutical Industry Association says that the Japanese are active in some areas of pharmaceutical research, but the range is much more limited than in West Germany. The Japanese have specialised in cancer research, antibiotics and bio technology, partly as a result of their traditional skills in fermentation technology.

Most of Japan's 2,000 pharmaceutical manufacturers are too small to be active in research, the association says. It believes very few are in a position to achieve international importance.

On the other hand, Japan ranks fourth in the world in terms of pharmaceutical discoveries, the association points out.

Of 1,500 new pharmaceutical items introduced in medicine between 1961 and 1980, 10 per cent originated in Japan, it says. The U.S. was responsible for 23 per cent, France for 18 per cent and West Germany for 13 per cent.

West Germany, which is the world's leading pharmaceutical exporter, has a large trading surplus with Japan. It exported pharmaceuticals worth nearly DM 500m to Japan last year, importing Japanese items worth only DM 160.6m.

Meanwhile, West German pharmaceutical companies have boosted worldwide exports in the first half of this year, although they remain cautious about prospects in the months ahead.

Exports in the first half were 9.2 per cent up on a year *ago at DM 3.7bn, while pharma*ceutical imports were up 13.6 per cent at DM 2.3bn.

The Pharmaceutical Industry Association—which represents 530 manufacturers accounting for 95 per cent of production—says companies are becoming highly dependent on export sales because of the virtual stagnation of the domestic market. Nearly half West German pharmaceutical production is exported.

France launches U.S. sales drive

By David Housego in Paris

IN AN effort to reap more advantage from the strength of the dollar, France is launching a major sales drive in the U.S. this month.

Some 250 French industrialists drawn mainly from small- to medium-sized firms are flying to the U.S. on September 12 for a visit aimed at widening the range of French consumer goods sold in the American market. The mission is being led by Mme Edith Cresson, the Minister of External Commerce.

France has failed over the past four years to draw the same advantage as most of its trade competitors from the rise in the U.S. currency. French exports to the U.S. only expanded by 13 per cent last year to FFr 34.3bn (£2.8bn) in spite of a 17 per cent depreciation in the parity of the franc. France has only a 2.4 per cent share of U.S. imports and sells half as much to the U.S. as West Germany.

Last year's poor performance followed a strong expansion of French exports in 1981. But the government feels that French consumer products are insufficiently known in the U.S. outside a limited range of luxury items, such as champagne and perfumes, and that French companies suffer from an inadequate marketing network.

During the mission's visit the French Government has taken advertising space on U.S. television to emphasise the range of French goods.

Strong dollar not sole cause of trade problems

BY NANCY DUNNE IN WASHINGTON

WHILE the strong dollar has *had a depressing effect* on U.S. trade, exchange rate fluctuations cannot always be assumed to be the predominant factor determining changes in trade flows, the U.S. International Trade Commission said in a study released late Wednesday.

Speaking before the report was released, Mr Alfred Eckes, commission chairman, said that "a decline in the dollar will undoubtedly provide some relief to beleaguered American industry" but it would not "end the *import challenge.*"

He said other significant structural forces are altering the global economy and intensifying competition. These include reduction of tariff barriers since World War II, the gradual diffusion of *technology* and spread of industry to developing nations and the rapid emergence of new industrial countries with low labour costs.

According to the ITC study, the trade-weighted value of the dollar appreciated 31.7 per cent in relation to other currencies during 1980-82 while its non-petroleum merchandise trade surplus dropped from $54.1bn to $27bn. Even so, it found that "there is often little direct correlation between the percentage change in the value of the U.S. dollar against specific currencies and trade balances."

Although the dollar appreciated 21 per cent against the franc from 1981 to 1982, the U.S.-French trade balance improved slightly for the U.S., whereas a 7 per cent appreciation of the U.S. dollar against the West *German* deutsche mark accompanied considerable worsening of the U.S.-West German trade deficit.

Thus, the commission concluded that other factors "interact to obfuscate the direct relationship between exchange-rate changes and trade flow patterns."

Swiss decide on big rifle order

By Anthony McDermott in Geneva

THE SWISS Government yesterday decided to place an initial order worth SwFr 180m (£60m) for 15,000 of a new generation of assault rifles for the army with the Swiss Industrial Company (SIG). The contract was awarded against international competition chiefly from the G-11 gun produced in West Germany.

The new assault rifle, known as the SIG-90, is to become standard equipment in the 1990s for the Swiss army.

Mark Meredith reports on an offshore technology company

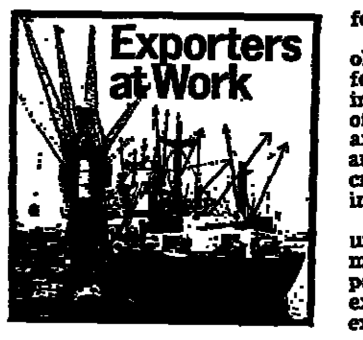
Why Aberdeen must sell its skills abroad

WHATEVER THE sense of long-term prosperity in Aberdeen, a house rule among companies such as Seaforth Mari*time is that the survive the* eventual decline of North Sea oil activity, offshore technology must be exportable.

The company, jointly owned by the Scottish finance house James Finlay and Taylor Woodrow Construction, *this summer* secured a £10m order to design and instal an advanced saturation diving system for the Soviet Union.

Another order for offshore expertise from China was lost *during competitive tendering,* but the company's sales manager has just taken to the road again seeking to improve the 10 per cent of the £31m plus turnover now coming from exports.

Seaforth operates an active naval architecture, maritime design and engineering ideas shop on the back of a prosperous service and hardware operation largely geared to



offshore development.

Company headquarters on the quayside of Aberdeen harbour resemble something of a pit-stop for vessels stocking up on *equipment and supplies for* North Sea exploration and production. Drill pipes, cement and other heavy equipment are loaded on to powerful supply boats.

Seaforth and the John Wood group, have become the two main one-stop shopping spots for the industry in Aberdeen.

Mr James Hann, the 50-year-old managing director of Seaforth, has managed to muscle in on the American-dominated offshore industry market to find areas where British engineering and entrepreneurial talent could create and fill a profitable gap in the offshore support market.

The highly competitive and unprotected nature of this market has spurred the company's efforts to achieve greater exports and international exposure.

Mr Hann is one of a group of Aberdeen industrialists anxious *to increase* the UK profile in exportable technology through the development of a trade centre in the city.

For Seaforth, diving systems has been just such an area where credibility has been gained through North Sea operations and is now ready to push into wider markets.

More than 20 diving systems on semi-submersible support vessels have been built by Sea*forth Maritime. These ungainly* craft anchor close to offshore installations with vast amounts of equipment, spares, supplies and backup for construction and maintenance.

French and German com*panies competed strongly for* the diving contracts for the Soviet Ministry in Charge of Gas Production.

The work for the project will be carried out by Seaforth's engineering division works at Inverurie, northwest of Aberdeen.

Similar orders for diving expertise have come from India. But as the international offshore market expands, the company plans to enlarge its exports of *expertise in other areas as well.*

The main revenue spinner for Seaforth at the moment is its fleet of 16 supply boats including two diving support vessels operating on charter for offshore operators. Two of these *ships are on permanent* charter to the Mobile oil company off the Canadian coast supplying *offshore exploration installations.*

Seaforth's project division has shown readiness to come up with bold ideas even if they have not been successful. A proposed floating airport for *the North Sea able to take stol* aircraft has not received much enthusiasm from local operators. But Mr Hann and Mr John Ling, the manager for external relations, hope for other exploration markets such as Canada.

A new project ready for promotion is a design of a barge to act as an oil product and storage centre. Suitable for deep water and small offshore fields which would not justify the expenditure on built-in *storage systems of pipelines, the* barge could be moved from well to well.

While the company hopes the barge will have potential for new marginal fields opening in the North Sea and North Atlantic, again Seaforth's eye is very much on exports.

China's import growth slower than expected

BY LESLIE COLITT IN BERLIN

CHINA'S IMPORTS in the first six months of this year rose far more slowly than planned, by a nominal 7.3 per cent, compared with a target increase for 1983 of 25 per cent, which was revised upward to 40 per cent last spring. Chinese imports rose to yuan 18.7bn (£6.3bn), while exports increased by a nominal 2.1 per cent to yuan 19.8bn.

The German Institute of Economic Research (DIW) in an analysis of China's foreign trade says the results did not conform with expectations arising from China's general economic state.

In 1982, China's domestic economy performed well, with *agriculture showing especially* good results. In the past, DIW notes, this normally meant a considerable rise in exports and *imports in the following year.* The link between good harvests and higher production by light industry is always close, the report says. *In the first half of* this year, Chinese industrial production rose by nearly 9 per cent.

DIW says import growth should also have been induced by investment in plant and equipment for which yuan 360bn were set aside for the current five-year plan to modernise existing factories. Part of this is to be in the form of advanced Western technology.

The analysis says that, in addition, China does not have a shortage of hard currency, as in 1978 and 1979, when it ran up a deficit of $3.3bn, following a boom in imports from the West. China's estimated debt last year of between $4.5bn and $5.9bn puts it in a favourable *financial position,* compared with other developing countries, according to DIW. This, it explains, was the reason the Chinese began repaying a $900m IMF loan ahead of schedule last March. But at the same time, it says, China is asking for ever-more-favourable financing for its imports.

The DIW report says that in recent years China has revised its policy on technology imports. It has concluded that modern imported plant and equipment can only be fully absorbed if plants are modernised comprehensively. A package is needed consisting of technology, technical software, process technology, managerial know-how, and training of personnel. This, the Institute suggests, might be the reason for the unexpected import slowdown.

Peking sends mission to Gatt

By Our Geneva Staff

A CHINESE delegation arrives in Geneva on September 14 for talks which could eventually lead to renewed Chinese participation in the General Agreement *on Tariffs and* Trade (Gatt).

China was an original signatory to Gatt in 1947, but its membership lapsed in the wake of the Nationalist Government's retreat to Taiwan in 1950.

The five-man delegation from Peking will focus its discussions on Chinese participation in the Multi-fibre Arrangement, the agreement which, under Gatt auspices, controls much of world trade in textile and trading.

The mission is scheduled to see Mr Arthur Dunkel, the Gatt director general.

The delegation will be led by *Mr Chou, a senior advisor* in the Ministry of Foreign Economic Relations and Trade.

China's motive in seeking to join the MFA is thought to be connected with its negotiations over bilateral textile agreements with the Common Market which are scheduled to start this autumn in Brussels.

Membership of the MFA would regularise China's position and allow it to negotiate from a much stronger base.

BL car output to halt in South Africa

BY J. D. F. JONES IN JOHANNESBURG

LEYLAND South Africa has decided to stop local manufacture and assembly of its own cars and to concentrate on its more successful production of buses, Land Rovers and trucks.

The managing director of Leyland SA, Mr D. R. Back, said in Cape Town that some redundancies among the 2,300 employees would be inevitable, though a company spokesman later explained that not more than 100 jobs would be at risk.

Referring to the need to replace the existing Mini and Rover models, Mr Beck said "after lengthy studies both in South Africa and with our parent company BL Limited, we concluded a major new investment programme for new car products could not be supported."

He added that the decision was taken on purely commercial grounds. Leyland SA is wholly owned by BL Limited.

Mr Beck explained that capital requirements for a new car range would be R35m (£21m) for each model, which would necessitate minimum sales volumes of 2,500 a month or a market share of at least 10 per cent, compared with Leyland's present share of the car market of less than 2 per cent.

From next year, therefore Leyland SA will withdraw from the volume car industry except that it will continue to manufacture the successful R9 model for Renault.

India to import rigs

BY D. P. KUMAR IN NEW DELHI

INDIA will soon be in the market to import "quite a few" *of the* 24 onshore rigs and associated equipment that its Oil and Natural Gas Commission (ONGC) needs for exploratory drilling during 1985-87 at an estimated cost of Rs 7bn (£450m). The rigs are needed for development drill*ing in new basins.*

The ONGC plans to acquire 15 rigs in 1985-86 and nine in 1986-87. The state-owned Bharat Heavy Electricals may not be able to manufacture all the 24 rigs on time.

THE PROPERTY MARKET BY WILLIAM COCHRANE

Bold UK move in downtown Denver

A BRITISH consortium involving two UK developers—Cruden Developments and a private investment company in the Channel Islands—is the driving force behind a $135m, 760,000 sq ft office tower project in downtown Denver, Colorado, an area which has been described as under threat, overbuilt and subject to serious market weaknesses in recent months.

In a major 60-page review of British property companies in North America, London stockbrokers Quilter Goodison note that office space in the city multiplied by five times in the 1970s and that 10 major office schemes have been finished in the downtown area in the early part of this year, accounting for some 4m sq ft.

Peter Rose of London agents Gooch & Wagstaff's U.S. operation said in Denver this week that the new project, to be called 1999 Broadway, is "a bold move." He said that there was undoubtedly a battle in Denver for major tenants between downtown developers and what has come to be known as the South East Corridor, which takes in European Ferries' major investment in the 850-acre Denver Technological Centre.

Rose says that rents are currently $18 a foot in both markets, that costs are generally higher downtown and that 1999 Broadway—a 43-storey tower to be built around the existing Holy Ghost Catholic Church—is a high-cost building on a constrained site.

The consortium agrees with the high-cost angle, justifies it—indeed, almost revels in it. David Sparrow, who represents both Cruden and his father's private investment company through the Denver-based Lawder Corporation, thinks that too many concrete boxes have been built downtown, which serves a professional, banking and institutional clientele.

The development partnership takes in Lawder, the Dikeou family who are extensive landowners in downtown Denver and Mountain Bell, the local (14-state!) offshoot of the Bell telephone system. Why Mountain Bell? "Because," says Sparrow with some satisfaction, "they are my anchor tenant."

The tower, due to be completed in the first quarter of 1985, and delayed for a year by the downturn in the U.S. economy, will have 635,285 sq ft of rentable space. Mountain Bell is taking 205,000 sq ft of that, says Sparrow, at $21.50 net on a 10-year lease with a review after the fifth year.

Another 70,000 sq ft at the top of the building, he says, is going to Kirkland and Ellis, the sixth largest law firm in the U.S., at $28 a foot net rising anually to $36 over 10 years.

Funding for the project has been arranged through First Interstate, the California bank. "Only exceptional projects can be financed in a soft market," says Sparrow, "and ours is exceptional."

Neat footwork at MEPC

ROBIN ADAM, at present deputy chairman and a managing director of BP, from which he is due to retire in December, is to take over as chairman of MEPC from Sir Gerald ("Joe") Thorley, himself retiring next January.

Adam's appointment ties in neatly—"too neat in terms of design," he says, "but it may be a fortunate coincidence"—with the departure of MEPC's former financial overlord, David Davies.

MEPC managing director Christopher Benson says that Davies trained his own successor in chartered accountant Jim Beveridge, aged about 30, who has been group chief accountant for about four years. But Beveridge has not had public exposure, says Benson, and will be named financial controller rather than going on to the board immediately.

Adam's BP managing directorship has included responsibilities for financial affairs since January, 1975.

Sir Gerald, who followed Davies (1973) and Benson (1974) into the financial minefield that was MEPC, and property in general, in 1975, was 70 last Friday. He expects to pull out gently from other commitments like the Allied Breweries Board, Rockware, Fitch Lovell and the Economic League over the next couple of years.

"He was the only FRICS we ever had as chairman," says Benson, "but his real business was people."

Retail yield shaved

FOUR months ago Healey and Baker mooted a cut this summer in the yield on retail property. As it is, they have given it a slight trim. The firm's September graph of prime commercial property yields shows shops down from 3¾ to 3.65 per cent, with offices and industrial static at 4¾ and 6¾ per cent respectively.

Charles Follows, H and B's head of research, said yesterday that this was the first time in the history of the graph that yields had moved by as little as a tenth of a point. He said that the firm had seen a number of transactions in the past few weeks below 3¾ per cent, but not enough to say that there was a large prime market at 3½.

In industrials, where four months ago there seemed a possibility that the yield might rise, the letting scene has improved lately. In offices, the attraction of good rental growth conflicts with oversupply in some areas. In both of these, the investment waters may be muddied slightly by the hybrids springing up in business parks around the country.

H and B think that the market is at the bottom of its downward slope. They conclude that investors need a 3 per cent return to outperform index linked gilts, and that carefully selected buildings in the right location will do this over a period of years.

MARTIN MYERS, driving force behind Jones Lang Wootton's growth in the North American market, retired from the partnership on Wednesday "to pursue a new and different career in real estate as a principal." This is from the text of the official announcement, made just five days earlier.

● Office floorspace in the UK market rose sharply during the first half of 1983, says Hillier Parker's fifth survey of office market activity. At the end of June there was 27.6m sq ft available in buildings of 20,000 sq ft or over.

This is nearly 20 per cent up over the beginning of the year, the highest record since the survey started in January 1981 and due to a large amount of new office development coming on to the market, particularly in the London suburbs. Lettings were ½m up at 3.5m sq ft on the preceding six months, but 8.85m sq ft came on to the market in January to June of this year.

● The Greater London Council has confirmed this week that it is to appeal against a High Court decision which dismissed its previous appeal against DoE planning permission for the Coin Street office development on London's South Bank.

● HFC Trust has leased the 5,350 sq ft ground floor of Regency House, Market Street, Bracknell for around £10 a foot. Druce and Company acted for the landlord, the Crown House Staff Pension Fund, and Chilvers for the tenant.

Threat to farmland investment

INSTITUTIONAL interest in agricultural land is "seriously threatened" by the prospect of impending legislation which is being based on a compromise package put forward by owners' and farmworkers' representatives.

The warning comes from Cluttons, the London chartered surveyors which has nearly 30 institutional clients investing in farming land and which claims they may start to withdraw from the market if the proposed changes in the law go ahead.

Institutional investment in agricultural land is comparatively limited—the Northfield Committee in 1979 put their holdings at under 10 per cent—and most of the major investors, like the Prudential and the Legal & General, are not currently adding to their stock.

Demand for anything other than top quality land, where prices are probably higher than ever and yields are standing at around 3 per cent, has been very depressed. Values for let land have dropped by as much as 20-25 per cent from the 1980 peak, though the non-institutional, vacant possessions market has been showing clear signs of revival.

Institutional concern about the new legislation—a Bill is due to have its first reading in November—centres on one or two principal elements of the compromise package, which is tantamount to a trade-off between tenant farmers and private landlords.

The package, negotiated over several years by the National Farmers' Union and the Country Landowners' Association, was put together in an attempt to ensure that more farms were available to let and its conclusions have been adopted by the Minister of Agriculture.

Among its controversial recommendations is lifetime security for new tenants, with no rights of succession—legislation in 1976 gave sitting tenants two more generations of security—and a new formula for fixing rents which departs from open market value and centres on the potential productivity of the holding.

Voices raised

Mr Peter Trumper, senior partner at Cluttons, has joined the growing number of voices raised against sections of the package, claiming that legislation based on its conclusions will reduce rather than increase the number of farms to let.

Cluttons believes that, since the rate at which new tenancies are being granted is down to one or two per cent a year, it could take over 50 years before the proposed abolition of succession rights restored the position which existed before 1976—when there was no right of succession.

But the institutions, much more concerned about competent farming and market rents than about security of tenure, reserve their main criticism for the proposed rent formula.

There is widespread condemnation of the new formula which, the critics say, is badly defined, strangely worded, certain to lead to friction between landlord and tenant and destined to bring about a substantial fall in rental levels.

Mr Trumper says that rental increases could be reduced by as much as 20-25 per cent. "The formula represents a departure from the real world of market value and a sortie into the make-believe world of what the pundits think would work better.

"The institutions regard this as potentially disastrous. With top agricultural investments changing hands at 3 per cent, funds are looking for 9-10 per cent compound growth a year in rental values and the new formula will damage those prospects."

Mr Trumper shares a growing fear that the move towards a "fair rent" system could, as in the residential market, provide a signal for the institutions to sell out. He also points out that legislation concerning the fixing of agricultural rents in Scotland has been enacted since the package was put together and says the application of different formulae on farms which might only be five miles apart "seems almost inconceivable."

He adds: "It will be argued that the package has been carefully constructed after years of patient negotiation. Maybe. But it was constructed behind closed doors and before the Scottish Act took effect. It should now be reconstructed in the light of the Scottish Act and in response to the critical comment of those who have no axe to grind except the long-term well-being of the landlord and tenant system."

MICHAEL CASSELL

Current account surplus £1.3bn above forecast

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN's surplus on the current account of the balance of payments was £1.35bn better last year than the Government had believed in June, it was disclosed yesterday.

The revised surplus of £5.4bn for 1982, suggests that some of the gloomier predictions about Britain's trading performance may be somewhat wide of the mark.

An increased estimate of last year's surplus arises almost entirely from a more optimistic view taken of total invisible earnings for the year.

The latest view is that the total surplus on invisible earnings for 1982 was £3.3bn, only a little short of the record of £3.54bn for 1981. This new total for 1982 is £1.46bn higher than the last official estimate, published in June. Even the figure for 1981 has been revised up by £400m since June.

These revisions will lend a more optimistic colour to the projections for invisible earnings made for the current year. This should be welcome to the Government, in view of the steadily worsening balance of trade in goods other than oil, largely because of a rising volume of imports.

A major change since the June estimate is in the figure for interest, profit and dividends remitted to the UK from overseas. The surplus under this heading is now thought to be £1.56bn, compared with the June estimate of £340m.

The surplus earned on services including insurance and banking, has been revised upwards by £200m to £3.84bn, but this is offset by a slightly more pessimistic view of the visible trade surplus, now put at £2.1bn for the year.

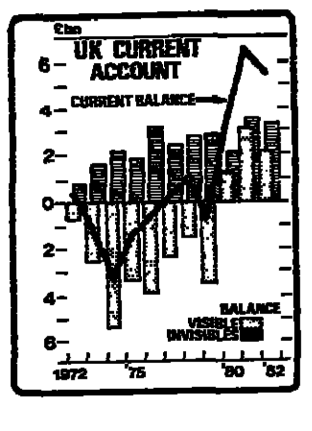
The broad picture revealed is that the inflow of foreign funds on the current account, resulting from increased oil production, has been balanced to a large extent by an outflow of British capital into foreign investments. This indirect investment of oil wealth overseas is now yielding an increasing flow of earnings.

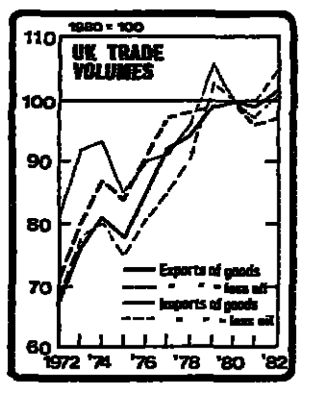
UK private investment overseas in 1982 is now estimated to have been £10.8bn, a similar figure to that for 1981. Of this total, £6.2bn was portfolio investment overseas, an increase of £2bn compared with the outflow in 1981.

Total foreign assets owned by the UK public and private sectors rose last year to £141bn from £112bn in 1981. However, after subtracting liabilities, the net overseas assets were £42bn at the end of 1982, a rise of £11bn compared with the previous year's figure.

In spite of the more optimistic picture for the whole of the invisible account, the revised estimates show a slow but steady fall in the real value of the services exported by the UK in the last five years.

The volume of exported services last year was 9 per cent below the level in 1981, and 19 per cent below the volume in 1978. Imports of services, by contrast, have risen during the period. The most marked adverse swing has been in the balance on travel services.





However, the real value of the exports of financial services rose during the period to a volume which was 3.6 per cent higher last year than in 1981.

Meaney named as Rank chairman

BY RAY MAUGHAN

SIR PATRICK MEANEY, who lost his position as chief executive of Thomas Tilling after the sucess of a £650m bid from BTR, June, yesterday accepted an invitation from the board of Rank Organisation to become chairman of the office equipment, leisure and industrial holding company. Sir Patrick who is already a non-executive director will succeed Mr Russell Evans who retires in November.

The appointment ends an eight month search, instigated by the group's big international shareholders, to find new talent to restore Rank's declining fortunes.

After a profit downturn from £102.8m to £61.5m and a dividend cut last year, the institutions forced through changes when the group promised shareholders at the last annual meeting in March to "appoint a senior executive with appropriate experience from outside the group."

The idea initially was to find a new executive vice chairman but Rank has been looking over the intervening months to appoint both a new chief executive and a new chairman.

Mr Michael Gifford was recruited from Cadbury Schweppels by a small, non-executive committee of Rank director headed by Sir Patrick. Mr Gifford was formally appointed yesterday.

The non-executive committee was also charged with the task of finding a new chairman, and although Sir Patrick said in early stages of this management reorganisation that he was not interested in the job, he has accepted the position offered by his boardroom and committee colleagues.

ASSESSORS NAMED FOR FRANCHISES

Cable TV bidders scrutinised

BY RAYMOND SNODDY

THE GOVERNMENT said yesterday that the Economist Intelligence Unit (EIU) had been appointed independent assessors of the applications for interim multi-channel cable television franchises.

The work will be carried out by the EIU's Informatics section and will involve a detailed assessment of the merits of the 37 applications for licences received by the Home Office and the Department of Trade and Industry when applications closed at 6pm on Wednesday.

EIU Informatics will be looking carefully to see how well government stipulations on technology and financing have been met by the applicants.

The Government has emphasised that it will give priority to those intending to use high technology in their cable operations. The financial resources of applicants will also be closely examined.

The EIU assessment of the applicants, who range from established cable operators such as Rediffusion and Visionhire to new consortia set up specifically for the purpose, will be passed on to a small team of advisers.

The advisers, probably three of them, with academic, technical and business backgrounds, will be appointed later this month.

They will make final recommendations to the Home Secretary and the Secretary for Trade and Industry, who will announce in November their choices for the 12 interim franchises each covering up to a maximum of 100,000 homes.

The applications formally published yesterday show a wide geographical spread but there are some major omissions.

No applications, for instance, have been received for either Birmingham or Manchester. Many of the larger companies and potential consortia are holding back to apply for the much larger franchises which will be available when the Cable Authority is set up. The fact that the interim franchises were for up to a maximum of 100,000 homes in identifiable communities limited the choice of potential applicants.

Applications for interim franchises expected for Ipswich, Norwich and Bristol have not materialised.

One of the fiercest competitions seems to be in cenntral London where three consortia are applying for franchises for Kensington and Westminster, London's West End and Westminster.

Two rival companies are also competing for a franchise for Preston, Chorley and Leyland in Lancashire and there are also rival bids for Aberdeen. In both Glasgow and Leeds, consortia are competing for different areas.

The following consortia have applied for cable TV licences: **Aberdeen Cable Services** – the Aberdeen area (major shareholders: ICFC, Aberdeen Trust, BT, American TV and Communications, Rockall Scotia): **Amar**: Kensington and Westminster area of London. (J. Sharman); **Basingstoke Cable** – Basingstoke, Hampshire (Visionhire). **Beamtrade** – Westminster area, London (Kleinwort Benson, Plessey British Information Technology, BT, American Television & Communications); **Bolton Cable** – Bolton, Lancashire (Visionhire); **Cable North West** – Preston, Leyland and Chorley, Lancashire (Western Union [UK]).

Cabletel Communications – Ealing, London (Ladbroke Group, Comcast Corporation, Legal & General); **Cablevision (Scotland)** – West Edinburgh. (British Linen Bank, Ferranti, Grampian TV Press Construction, D.C. Thompson, World Cable).

Cablevision (Scotland) – Aberdeen area. (British Linen Bank, Ferranti, Grampian TV, Press Construction, World Cable, D.C. Thompson); **Cablevision (Scotland)** – South Glasgow area. (British Linen Bank, Ferranti, Grampian TV, Press Construction, World Cable, D.C. Thompson); **Central Lancashire Television** – Preston & South Ribble Lancashire (shareholders not yet finalised).

Channel 2000 – London Borough of Tower Hamlets. (Western Union [UK], London Docklands Development Corporation); **Clyde Cablevision** – Glasgow area (part) (Murray Clydesdale Investments, Scottish Daily Record/Sunday Mail, Scottish Amicable Assurance, Scottish United Investors, Scottish Mutual Assurance); **Cotswold Cable TV** – Cheltenham and Gloucester area. (VEI, Cabletime Systems, Cable Britain).

Coventry Cable – Coventry area. (Thorn EMI, BT); Croydon Cable – Croydon area. (Racal Oak, Wates Builders, Crystal Palace, Surrey CCC, J. Gill, R. Subba Row).

Eaglen Investments – West End of London (Dr C. J. Eaglen); **Essex Telecable** – Southend on Sea, Essex. (Brent Walker Essex Radio, D. Keddie, H. Stone, Talk of the South, Yellow Advertiser News Group, Eastern Electricity Board, BT, GEC – McMichael); **Lancs Cable TV** – Preston Chorley, Leyland areas of Lancashire (BT. Williams & Glyns Bank, Norwest Holst, Orion Royal Bank).

Leeds Cable Vision – Leeds area. (Selec TV, E.J. Arnold & Son Yorkshire TV Enterprises, BT, MMG: **London West End Cable** – the City of Westminister London (Southbrook & City Holdings, Inn Films, Dorland Advertising); **Merseyside Cablevision** – South Liverpool area. (Pilkington Bros, Virgin Records, Mrs J. F. Hill, Marchwiel Searidge Properties, R. Starkey (Ringo Starr), J. Seddon, Lord Derby).

Milton Keynes Cable Vision – Milton Keynes and Newport Pagnell areas of Buckinghamshire. (Selec TV, BT, Milton Keynes Development Corp, BPCC, GEC, MMG, Virgin Group); ***Plymouth Cablevision*** – Plymouth area. (MMG, Selec TV, CIT).

Premier Cable – *Bexley area of* Kent. (Visionhire); **Premier Cable** – Croydon, Surrey. (Visionhire); **Rediffusion Consumer Electronics** – Leicester area. (shareholders unnamed); **Rediffusion Consumer Electronics** – Dudley, Worcestershire. (shareholders unnamed).

Rediffusion Consumer Electronics – Guildford, Surrey. (shareholders unnamed); **Rediffision Consumer Electronics** – Cardiff. (shareholders unnamed); **Solent Cablevision** – Southampton, Fareham, Portsmouth areas of Hampshire. (Role, Guinness Mahon, TV South, Thorn EMI, BT); **South Yorkshire General Network (SVGNET)** – Barnsley & Darne Valley area of Yorkshire. (Epicure Holdings, British Linen Securities, Arnold Laver & Co, University of Sheffield, J.F. Eardley, Hallamshire, Raine Industries, Peck House Investments).

Swindon Cable Services – the Swindon area, Wiltshire (Thorn EMI); Tyne & Wear Cablevision – Sunderlrand area (Selec TV, Virgin Group, Portsmouth and Sunderland Newspapers); **Ulster Cablevision** – Belfast area. (BT, STC, Thorn EMI, Ulster TV).

White Rose Cablevision – North Leeds area of Yorkshire. (All shares currently owned by the directors); **Windsor Television** – Windsor, Slough and Maidenhead areas of Berkshire. (Cin Industrial Investments, GEC McMichael, Hawley Group, Investors in Industry, Warburg Investment Management).

Further £9m orders for business jet

BY LYNTON McLAIN

BRITISH AEROSPACE (BAe) yesterday announced a £9m batch of orders for its latest civil aircraft, the Jetstream 31 and the latest version of the BAe 125 business jet.

These orders bring to 37 the number of civil aircraft sold by British Aerospace this year, worth a total of £164m. Thirty of the aircraft are for export, including the latest order for the BAe 125-800 business jet, destined for a customer in the Middle East.

The company welcomed the orders as further evidence of an upturn in the civil aircraft market, "particularly in the corporate and commuter sectors," Mr John Glasscock, deputy executive of the BAe Aircraft Group said yesterday. All British Aerospace civil aircraft had won orders this year.

Orders for 37 civil aircraft in the first eight months of this year compare with a total of 14 orders for civil aircraft, excluding wing sets for the European Airbus, won in the whole of last year, and 46 civil aircraft orders won in 1981. The highest recent total of annual orders came in 1979, when 70 civil aircraft were ordered.

"Jetstream 31 and the BAe 125 have benefited most from the improved market condition," Mr Glasscock said at the 10th International Business and Light Aviation Show at Cranfield, Bedfordshire. Total air traffic in the U.S., which accounted for a third of all new aircraft sales, had grown by 7 per cent in the first four months this year, compared with 4 per cent in the whole of 1982.

The BAe 125 is one of the world's best-selling medium size business jets, and the latest order brings to 567 the total sales of the aircraft, with 80 per cent for export.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). *All seasonally adjusted.*

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs
1982							
3rd qtr.	102.5	88.3	84	108.9	150.7	2,837	111
4th qtr.	102.3	87.4	89	110.7	184.5	2,913	115
December	103.1	87.7	88	112.2	215.5	2,949	118
1983							
1st qtr.	103.6	89.4	88	111.1	153.1	3,003	124
2nd qtr.	103.7	89.3		113.6	158.7	2,987	135
January	103.0	90.0	86	110.1	154.7	2,983	122
February	104.4	89.3	96	111.1	148.9	3,001	124
March	103.5	89.0	82	111.9	155.1	3,026	126
April	104.0	89.1	93	112.9	157.8	3,021	134
May	104.5	89.9	88	113.7	159.1	2,970	131
June	102.7	88.9		114.0	159.1	2,970	139
July				113.5		2,963	153

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
3rd qtr.	91.4	91.2	122.6	86.3	72.5	71.4	17.1
4th qtr.	92.4	89.6	122.0	85.5	69.3	71.5	15.1
December	94.0	89.0	124.0	86.0	69.0	73.0	12.1
1983							
1st qtr.	93.1	91.0	125.3	86.1	75.3	71.7	17.9
2nd qtr.	93.4	89.9	125.1	85.8	77.9	72.2	19.7
January	93.0	91.0	123.0	86.0	78.0	72.0	15.6
February	93.0	91.0	127.0	87.0	74.0	71.0	17.9
March	93.0	91.0	125.0	86.0	73.0	73.0	20.0
April	93.0	90.0	126.0	85.0	79.0	71.0	17.6
May	94.0	90.0	127.0	87.0	80.0	73.0	18.6
June	93.0	90.0	123.0	86.0	75.0	72.0	22.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
3rd qtr.	125.1	123.7	+609	+976	+1,313	100.5	18.3
4th qtr.	131.4	124.0	+1,262	+1,790	+1,736	99.3	17.0
December	135.0	123.8	+508	+684	+692	99.7	17.0
1983							
1st qtr.	129.5	131.2	−194	+482	+1,764	98.5	17.34
2nd qtr.	127.0	132.4	−654	+ 96	+1,490	100.4	17.71
January	120.8	133.5	−470	−245	+529	98.7	16.85
February	129.4	133.2	−121	+104	+613	98.6	16.58
March	138.3	126.8	+397	+623	+622	98.1	17.34
April	123.8	131.5	−310	− 60	+485	99.2	17.66
May	124.7	134.7	−506	−256	+420	100.5	17.92
June	132.4	130.9	+162	+412	+585	101.6	17.71
July	123.0	132.5	−350	−100	+440	101.4	17.94

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
3rd qtr.	15.6	9.1	28.3	+4,738	1,796	2,396	10.50
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,548	10.13
November	14.6	12.0	25.4	+1,046	763	866	10.13
December	14.9	8.8	23.2	+730	490	874	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,579	10.50
2nd qtr.	15.3	14.6	15.0	+5,025	1,071	2,597	9.50
January	7.2	6.8	6.7	+1,099	391	879	11.00
February	10.6	7.6	13.1	−1,309	386	818	11.00
March	10.7	10.0	11.9	+2,048	397	882	10.50
April	12.1	13.7	13.6	+2,010	433	812	10.00
May	15.6	13.5	12.8	+1,071	319	885	10.00
June	18.1	16.5	18.5	+1,944	319	900	9.50
July	14.0	12.5	21.5	+776	739		9.50

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
3rd qtr.	227.8	115.4	118.7	323.0	297.0	228.88	91.5
4th qtr.	231.3	119.4	120.1	325.4	298.5	238.84	89.1
December	233.8	122.8	120.6	325.5	300.1	238.84	85.4
1983							
1st qtr.	235.9	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	240.8	123.7	124.2	333.7	306.3	272.89	84.3
January	232.4	124.1	121.2	325.9	301.8	255.45	81.9
February	231.1	125.4	121.7	327.3	302.1	256.25	80.7
March	238.2	124.2	122.4	327.9	302.4	277.29	79.1
April	237.7	123.1	123.6	332.5	304.6	274.56	82.8
May	241.1	123.8	124.3	333.9	305.6	267.01	84.9
June	243.5	124.0	124.6	334.7	308.8	272.89	85.2
July		123.2	124.8	336.5	308.7	282.26	84.8

* Not seasonally adjusted.

Warnings from new state industry chiefs

BY HAZEL DUFFY

NEW CHAIRMEN of Britain's big three loss-making nationalised industries – British Steel Corporation (BSC), British Shipbuilders (BS) and the National Coal Board (NCB) officially took up their appointments yesterday.

Two of them – Mr Ian MacGregor at the NCB and Mr Graham Day at BS – gave distinct warnings that the future of their industries depended on their becoming more competitive. The implication was that more job losses would follow if that was not achieved.

Mr Robert Haslam, who took over as chairman of BSC, declined to make any comments yesterday. A BSC spokesman said Mr Haslam needed time to settle in before giving interviews.

Mr Day, taking over when the shipbuilding industry is discussing with the trade unions a proposal to cut the 62,000-strong workforce by 9,000 over the next two years, said: "There will be more redundancies if we do not get improvements in attitudes from the managing director's office down to the tea-lady."

He predicted that relations with the unions would be "very difficult. We will all be dealing with an extremely difficult situation."

Mr MacGregor said in an interview in the magazine Coal News: "Coal can have a good future, but only on the basis of the industry's ability to sell its product... We are on a hiding to nothing unless we take strong action to improve efficiency so that our costs are below available market prices."

He added: "We shall also have to deal with environmental objections to the use of coal – something else that could constrain our markets. At present these problems have not been given much attention in Europe, but we shall have to deal with them."

U.S. microchip group plans Scottish factory

BY MARK MEREDITH

INTERNATIONAL Micro-electronics Products (IMP) a fast-growing U.S. micro-chip company, hopes to set up a plant in Scotland creating about 1,000 jobs.

The move is the result of a strategically placed investment by the Scottish Development Agency, the semi-official industrial promotion body for Scotland, which took an equity stake of £825,000 in IMP in exchange for a commitment for the company to come to Scotland should it expand overseas.

Mr George Gray, managing director of IMP, said in San Jose, California, that the company wanted to have a factory in operation in Scotland by 1986. Preparation and planning for the this would take about 18 months.

It is understood that Livingston new town, west of Edinburgh is favoured as a site for the factory.

The company manufactures and designs integrated circuits for customers. Scotland already has the largest concentration of micro-electronic companies outside the U.S. but most of these produce standard types of micro-chips which are aimed at volume sales markets.

Integrated circuit companies with factories in Scotland are General Instrument, Motorola, Burr Brown, Hughes Microelectronics, National Semiconductor and NEC.

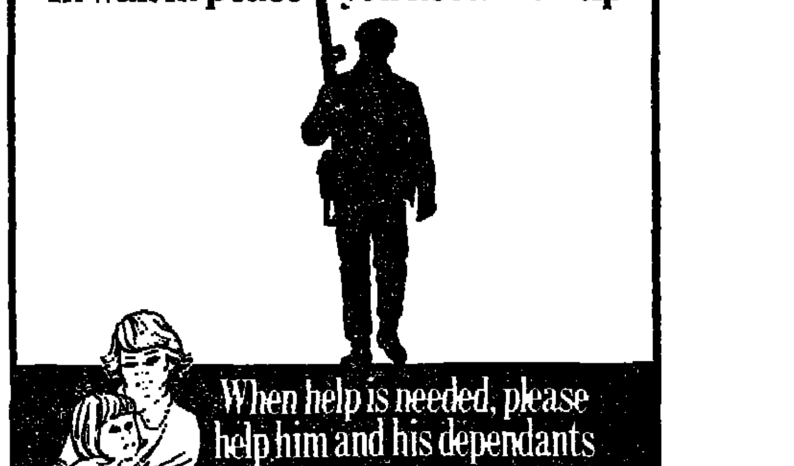
IMP started up in 1981, and now has sales running at about $20m a year. Although the Scottish Development Agency secured a money-back arrangement for its share stake in the company should it not come to Scotland, the equity is now thought to be worth three times its initial value.

IMP's plans for Scotland hinge partly on the success of capital to be raised through a flotation on the Over-the-Counter Market, the American exchange for invested securities.

The Scottish factory would involve wafer fabrication as well as engineering and process development. An emphasis on research and development, drawing on the electronics resources of Scottish universities, was a key attraction for the SDA involvement with the company.

After two flat years for micro-electronics sales, the industry in the U.S. now expects a 14 per cent increase in sales this year, rising to 25 per cent next year. Growth in custom chips could be as much as 25 per cent between now and 1986 according to some industry estimates.

● Rank Xerox is to reduce the workforce at its plant at Mitcheldean, near Gloucester, by 500 and a further 600 jobs there are likely to go by the end of next year unless demand for its products improves.



Nuclear waste sites to be announced soon

BY DAVID FISHLOCK, SCIENCE EDITOR

SITES for two new repositories for nuclear waste in Britain will be disclosed by the Government this autumn.

Each will cost about £100m to design, build and fill over the rest of this century.

They have been chosen from a total of about 150 potential sites investigated by Nirex, the nuclear industry radioactive waste management executive, set up at Harwell a year ago to manage the disposal of all but the most radioactive wastes produced in Britain.

Nirex, now in the final stages of confirming that its chosen sites have the broad characteristics it wants, will embark in the autumn on a year of fieldwork by geologists and hydrologists.

This will be the prelude to another year of preparations for a public inquiry to determine the public acceptability of the first Nirex projects.

One will be a shallow repository for waste contamined with traces of activity, envisaged by Nirex as taking the form of trenches some 20 metres deep.

The waste – often bulky rubbish such as protective clothing, plastic containers and instruments slightly tainted with activity but which does not justify cleaning – will be cemented into steel drums. These drums will be embedded in clay inside a subterranean blockhouse with walls 1 metre thick. The repository will then be capped with more clay and a concrete slab to deterinadvertent intruders. A layer of topsoil will restore the land to its original use, as farmland for instance..

The other will be a deep-lying repository designed to hold long-lived radioactive wastes. Nirex's plan is to adapt an existing cavity; a dry cavern such as a salt mine, since this can safely be assumed to be geologically stable and remain unpenetrated by water for many thousands of years.

British companies have shown considerable interest in the Nirex activities. About 50 potential sites have been offered, either by the four partners in Nirex – the UK Atomic Energy Authority, the Central Electicity Generating Board, the South of Scotland Electricity Board and British Nuclear Fuels – or by private companies.

Nirex invited five companies or partnerships to make detailed proposals for the design of its two repositories. They are ICI, Wimpey-Gilbert, NEI Waste Treatment, Fairmac (a partnership of Fairey and Tarmac) and GIS Waste Services.

Mr Maurice Ginniff, chief executive of Nirex and a nuclear engineer of long experience, has been seeking contractors which can come up with "a good, safe total system." The repository operators will be exposed to whatever radioactivity is emanating from the waste they are handling throughout their working hours. He wants to keep radiation exposure to an absolute minimum by skilful engineering and layout.

Opponents of nuclear energy see Nirex as a prime target in their attempts to hamper nuclear activities in Britain. Friends of the Earth went so far recently to call Nirex "public enemy No. 1." It plans to oppose vigorously any attempt to build land-based repositories in Britain.

Greenpeace has concentrated on the sea dump, also managed by Nirex. Foiled this year in direct efforts to interfere with the annual sea dump of some of the nuclear waste – because Nirex had ordered a new vessel less susceptible to interference, it persuaded the National Union of Seamen to forbid its members to crew the ship.

Customs warning over risk of gold fraud

BY DAVID DODWELL

THE CUSTOMS and Excise Department yesterday wrote to members of the London Gold Market and to gold coin dealers, warning them of the risk of falling victim to gold smugglers and fraudsters. It offered guidelines aimed at reducing risks.

The letter comes just two weeks after seizure by the Customs and Excise of gold bars understood to be worth about £600,000 from the premises of Charterhouse Japhet, the merchant banking group. This is part of a wide-ranging investigation into gold smuggling which is thought to amount to about £100m a year.

Increasing awareness of the risk of fraud recently led members of the London Bullion Market to call a halt to public trading in gold coins.

In a letter circulated to about 160 coin dealers listed in the Krugerrand Directory, the Customs and Excise referred to "recent cases" where VAT frauds had been perpetrated by people who smuggle gold into the UK.

Gold smugglers are attracted to the UK because of the comparatively high rate of VAT charged here – 15 per cent on all gold. Smugglers bring bullion and gold coins into the country, sell them to legitimate dealers without having paid VAT on them and then disappear with the VAT.

The Customs and Excise reminded dealers of the sweeping powers they have to seize and keep smuggled gold.

"Such gold is liable to forfeiture, and it remains so whoever has it in their possession. Whether it is restored, and on what conditions, is a matter within the discretion of the Commissioners of Customs and Excise," the letter said.

Return to viability key target for coal industry

MacGregor's quest for profit

BY RICHARD JOHNS

MR IAN MacGREGOR, who yesterday took over as head of the National Coal Board (NCB) – the world's largest coal producing entity – faces a challenge broadly similar to the one he inherited when he became chairman of British Steel Corporation (BSC) in 1980. Can he do any better in bringing coal to profitability in 1987-88 and eliminating the need for state subsidies?

He acknowledged in private recently that in the first instance at least, the state of NCB is not as grave as the one he found at BSC when he set about the task of restoring its viability.

In 1980 he took over a steel industry, heavily burdened with overcapacity and uncompetitive in a contracting world market. In the first year of his stewardship, BSC's losses were £668m. They were slashed to £339m in 1981-82 but rose again to £386m in 1982-83, even though manpower was cut by more than half from 166,000 to less than 80,000.

Last year the coal industry recorded a loss of £111m and an overall deficit of £486m (after taking into account the Government's deficit grant). In the process the NCB exhausted its reserves and became "technically insolvent." Even so, coal's deficit last year was only 25 per cent greater than steel's. In several respects the NCB in 1983 is in better shape than BSC was in 1980.

While BSC was rapidly losing markets in the mid-1970s, the NCB is more or less assured of a substantial one for the indefinite future in the Central Electricity Generating Board (CEGB). Last year it purchased 86.2m tonnes, or 71 per cent of total NCB sales, although next year it has contracted to take less.

If it has its way the electricity supply industry will progressively decrease coal's share of generation (still about 80 per cent) as more nuclear capacity comes on stream.

Nevertheless, it will require 60m tonnes a year until the end of the decade, Sir Walter Marshall, chairman of the CEGB, assured recently. The coal industry, therefore, has a solid basis for recovery of a kind BSC lacked three years ago.

Moreover, because the CEGB has undertaken to burn only freshly mined coal in the year starting in November, the existence of a stockpile now amounting to 56m tonnes can only be a reassurance in terms of any confrontation with the miners.

Nevertheless, the coal industry is – as Mr MacGregor put it – on a "slippery slope," indeed, beginning to slide down it with some rapidity. Losses in the current year are expected to rise by about one third above the 1982-83 level.

As far as its technical insolvency is concerned, the Government has undertaken to meet the NCB's obligations. But the chances are that from next year, it will impose a tight financial straitjacket as a means of coercing rationalisation and viability.

In setting about the elimination of over-capacity and closure of uneconomic pits, the new coal chief faces the most militant leadership in the labour movement in Mr Arthur Scargill and some of his colleagues on the National Union of Mineowners executive – albeit one which has lost its grip on the rank-and-file after being defeated on three strike ballots.

The dangers of confrontation can only be increased by Mr MacGregor's strong commitment to keep coal prices to the minimum, and thus restrain wage rises.

Coal did not become a significant drain on the public purse until recently, although it had long benefited from social grants (to help cover the costs of redundancies, the redeployment of manpower and the miners' pension fund) and operational grants (financing of stocks, sales promotion and coking coal subsidies).

It was in 1979-80 that the Government had to extend its first deficit grant amounting to £159m in that year. The state contribution fell to £149m in 1980-81 when the board also had to draw £58m from its reserves, giving an overall loss of £217m (apart from the traditional subsidies).

A deficit of £432m was required to balance the books in 1981-82, when profits from open-cast mines were exceeded for the first time by mounting losses from deep mines and the NBC suffered its first loss on trading operations.

Last year's deterioration reflected the continuing recession, a further decline in energy demand and an increased share of electricity generated by nuclear power. At 120.9m tonnes, output was 3.4m tonnes lower than in 1981-82.

The net loss from deep mining operations rose from £226m to £312m – substantially exceeding profits of £157m and £192m from open-cast operations.

As it was, the board's financial results did not show the underlying imbalance between supply and demand represented by a build-up of 10.1m tonnes of stocks held by the CEGB.

Mr MacGregor will find an industry which has already undergone a substantial contraction, has modestly improved its productivity and benefited from substantial investment.

From 1974-75 to 1982-83 the number of collieries was reduced from 250 to 191 and manpower from 252,000 to 207,600. Output per man shift went up in the period from 2.15m tonnes to 2.44m tonnes. Investment totalled nearly £4.2bn under the Plan for Coal introduced in 1974 and has so far provided 16m tonnes of new capacity, with a further 26m tonnes under development. But it has failed to bring about the productivity and competitiveness sought under the plan. According to latest estimates, 12 per cent of pits are losing money at an annual rate of £275m a year. There is no precise estimate of how much pruning is required by 1987-88. Much depends on whether the Government is prepared to write off the industry's debts.

If there is no capital restructuring, present thinking is that about 60 pits will have to be closed in this period and manpower cut by 65,000.

Progress under the colliery review procedure has not been negligible. So far this year a further six pits have been eliminated, together with 10,000 more jobs, and the expectation is that the total for the year will be 15 pits, regardless of Mr MacGregor. The indications are that the new chief, in an attempt to speed up the process, may attempt to by-pass it, reverting to the Plan for Coal in its original purity or revising it. He is known to believe that it provides a suitable starting point – not the least because it was based on a tripartite agreement involving management, workers and government and therefore presents another possible opportunity to introduce a specific programme in a situation where rank-and-file militancy and solidarity has been weakened.


Ian MacGregor

In such an approach he may be encouraged by the recent acceptance locally by miners of pit closures for economic reasons rather than exhaustion – the only criterion acceptable to Mr Scargill. Mr MacGregor will have to judge carefully the tolerance to an acceleration beyond the steady contraction of the past few years.

To quicken the pace he may have to offer more generous terms for redundancy, early retirement and – for those shifting to new capacity – transfer allowances. He believes the wider community should bear the social costs of transition and should have the political clout to obtain the money. The existence of 45,000 miners over the age of 50 appears to give him fairly considerable room for manoeuvre.

Immediately, Mr MacGregor has to deal with an unspecified but "substantial" pay claim in the national bargaining on pay rates. The indications are that he will seek to keep the increase well below the inflation rate, perhaps to as little as 2½-3 per cent. The new chairman is pleased with the degree of centralisation already achieved by the NCB in negotiating productivity deals – the single most important factor undermining the authority of the militant leadership over the past three years.

Almost certainly he will try to move as soon as possible to a system under which basic pay rates are more closely related to the performance of areas and pits.

In line with his political brief and personal commitment to helping make British industry more competitive Mr MacGregor is determined to keep coal prices as low as possible. One can only speculate how far he will risk a wholesale confrontation in trying to drive a wedge between ideological union bosses and members who want to remain in a viable industry.

Beyond that, the NCB will be looking to his flair as a salesman to boost sales to other customers. Industry is the main area of potential expansion, but for the time being the scope for any marked increase seems limited.

Maximising output from low cost capacity and reducing high-cost capacity must be Mr MacGregor's main objective. In the short-term, however, perhaps the most radical measure to stop the slide would be an easing of NCB's debt burden. Its interest payments increased from £36m in 1974-75 to £366m in 1982-83. This year, the payments will add £4 to each tonne of coal produced.

NCB officials say that Mr MacGregor acted "very smartly" to obtain a capital reconstruction for BSC amounting to £3.5bn and the injection of public dividend capital which pays interest only in good years. Can he get the same relief for NCB, they ask.

Steel union challenges £1m bonus

BY BRIAN GROOM

MR BILL Sirs, general secretary of the Iron and Steel Trades Confederation, the main steel union, has said that not a penny should be paid of the £1m Government bonus which may be claimed by Lazard Freres, the U.S. company, in return for the three years' work of its partner Mr Ian MacGregor as British Steel chairman.

In a letter to Mr John Gardiner, chief executive of Laird Group, who chairs the committee reviewing Mr MacGregor's performance at BSC, Mr Sirs claims that Mr MacGregor "failed quite miserably" to achieve most of the production and financial targets set at the start of 1982-83.

"Liquid steel production was 2.8m tonnes (19.3 per cent) below the target of 14.5m and total steel deliveries were 2.9m tonnes (17 per cent) below target. While it was intended to reduce the level of manpower by 11,200 over the course of the year, the actual number of job losses was more than double that at 22,600, which would significantly reduce BSC's employment costs (by more than £100m in a full year) more than was planned. Yet despite these 'savings' BSC's total losses amounted to £869m. This was £424m worse than planned, and £365m worse than the level of 1981-82."

Mr Sirs claims BSC's poor performance was only partly caused by a decline in demand, and he criticises its refusal to reduce prices in the second and third quarters of the year. However, he concedes that Mr MacGregor is likely to be awarded his "lump sum bonus."

Tobacco makers face own-label threat

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE INTENSE cigarette price war in Britain's High Street shops could soon become even fiercer if the major UK tobacco manufacturers respond sharply to a new threat to their market dominance.

The threat this time is not posed by the Chancellor nor by anti-smoking pressure groups. Instead, the big tobacco companies are privately beginning to show some concern at the emergence in the UK of own-label or generic cigarettes. As one tobacco executive bluntly put it: "We're all looking over our shoulders to see which of us cracks first."

Own-label or generic cigarettes are cut-price cigarettes sold in plain, "no-frills" packets either under the house name of some retail group or without any name at all. They aim to capitalise on that segment of the smoking population which buys cigarettes not because of an expensively promoted brand image but simply because they are the cheapest.

Already two retailers have capitalised on this trend by launching their own cigarettebrands, made by the small Manchester Tobacco Company. The north country supermarket group, Amos Hinton, has become the first food retailer to take the plunge into own-label cigarettes, while the Victoria Wine off-licence chain is test marketing its own brand of cigarettes in some of its stores. Victoria Wine is selling its cigarettes at 89p for 20 – about 3p below the cheapest mainstream brand and some 16p below the average selling price for most king-sized cigarettes.

While these sales at present represent only a tiny drop in the £5bn annual cigarette market, the major manufacturers – Imperial Tobacco, Gallaher, Rothmans, and BAT – are watching to see if smokers accept these brands and whether or not the big supermarket multiples decided to join the fray.

The largest supermarket group, J. Sainsbury, has already decided "on moral and health grounds" not to launch an own-label cigarette. The company had tried many years ago to launch an own-label cigarette but sales were disappointing.

However, Sainsbury has reviewed the position over the past couple of years, but decided that an own-label cigarette brand was not in keeping with its market image.

Other supermarket chains, however, may not be so scrupulous about their image and could offer own-label cigarettes to rival their own-label baked beans or cornflakes. There has been a surge in own-label and generic grocery products sold in supermarkets in recent years as retailers have realised that there is a significant proportion of shoppers who want to pay the lowest price irrespective of brand loyalty.

Market estimates suggest that about 3 per cent of the U.S. cigarette market is accounted for by generics, while the figure for West Germany is about 7 per cent.

Rift deepens over leadership of Communist Party

BY JOHN LLOYD

THE deepening rift within the Communist Party of Great Britain – still the main left-wing group outside the Labour Party – will surface in a bitter row at its November biennial congress over its leadership and direction.

The row is of considerable importance to the wider Labour movement, because of the influence the Party still wields within the trade unions. The challenge to the present leadership is based on a profound critique of its lack of "class consciousness," and its inability to give a sufficiently militant leadership to the unions' left wing. A subsidiary theme is criticism of the lack of loyalty shown by the party to the socialist countries, principally the Soviet Union.

So deep is the split that many within the party believe that Congress may see the parting of the ways between the "Eurocommunist" leadership and its supporters, and the hardline oppositionists, who have gained control of the party newspaper, the Morning Star.

A powerful warning shot has been fired by Mr Mick Costello, formerly the party's industrial organiser and now a journalist on the Morning Star. In a contribution to pre-congress discussion, in the inner-party journal, "Focus," Mr Costello makes an outspoken attack on the leadership, claiming that it is "increasingly rejected by the membership."

He writes: "It is time we elected a leadership that did not change its politics between congresses and would rebuild the fighting spirit of the party instead of competing with left-wing social democrats in diluting our class approach. It is time to end the festering challenge made, principally through "Marxism Today" (the party's monthly theoretical journal), to the leading role of the working class, without which the Broad Democratic Alliance (the strategy of linking groups in opposition to the Government) becomes liberal reformism.

"It is time we allied ourselves enthusiastically with all the forces for progress in the world, the socialist camp above all"

The executive committee's resolution to the November Congress, which traditionally forms the centrepiece of debate, is now certain to face strong opposition. The hardliners believe they command the majority within the Party and at Congress, and can replace the present leadership with one drawn from their own ranks.

The resolution calls for increased extra-parliamentary struggle against the Government, to build up a "great anti-Tory movement of mass action". It calls for the "maximum amount of contact and discussion between Communists, the Left in the labour movement and others on the Left involved in the various democratic movements."

The CP faces a number of crises: membership continues to slump, to a new post-war low of 15,691 (from 18,458 in 1981). The Young Communist League has declined from 1,000 members two years ago to 623. The Morning Star, which has made use of its legally independent status to take a different direction from the executive, now opposes the Party leadership on a number of key issues.

Boost for Thomson's summer tour package

BY ARTHUR SANDLES

THOMSON HOLIDAYS, Britain's biggest tour operator, has issued a remarkable challenge to its competitors by increasing its summer package tour programme by 25 per cent and cutting prices by 2.5–6 per cent.

Thomson is usually the first major tour operator into the market place with its summer offerings and this year it has done so against a background of fierce price competition between itself, Intasun and Horizon.

How Thomson has said it will boost summer capacity to more than 1m tours (860,000 in 1983) the largest ever UK foreign tour level. It will not only cut prices, but also pledges to keep pace with other tour companies if they heavily undercut Thomson levels.

Thomson says that its summer 1984 prices for package tours to hotels are on average 2 per cent lower than those for 1983. Villa holidays will be on average some 6.5 per cent less. All holiday prices are guaranteed against surcharges, and include airport taxes.

Attention now focusses on Horizon, normally the second major to produce its brochure, and Intasun, whose programme is normally published in early October.

Thomson argues that most of its expansion will come from a substantial rise in demand for foreign holidays. It suggests that the market has risen by up to 5 per cent this year, but that the number of Britons taking their main holidays abroad next year could go up by 20 per cent.

Mr Roger Heape, Thomson Holidays managing director, says this is due to the strength of the pound against the Mediterranean sunshine currencies, the stability of oil prices and expanding consumer spending.

"There are very many indications that more Britons will be taking their main holiday abroad in five years time than in the UK," he said, talking of long-term prospects.

According to Mr Heape fewer and fewer Britons were taking their main holidays in the UK, and increasingly the domestic industry was looking to short breaks as far as the domestic market was concerned. While the domestic market was having problems "holidaymaking abroad has remained remarkably resilient."

● Thomson's view of British holiday habits came just as the British Tourist Authority and the Department of Trade and Industry were recording the fact that Britain is proving more popular than ever with foreign visitors.

Some 18 per cent more foreign visitors came to Britain in June this year than in June, 1982. There was a 66 per cent rise in the number of U.S. visitors.

Spending by overseas visitors rose by 27 per cent.

● There is bad news for foreign tourist offices in Britain, who have been told by the UK Government that in future they will not be VAT registered. In effect, this means that those that have been VAT registered in the past will not be able to reclaim VAT on supplies. Tourist offices are generally zero rated for sales.

THE ARTS

Opera and Ballet

LONDON

English National Opera: Coliseum: David Blake's Toussaint, a flawed but at its best powerfully original blend of political opera and Grand Opera, returns to the theatre where it was first performed, but in a radically revised form. Mark Elder (conductor), David Pountney (conductor) and Neil Howlett in the title role are well remembered from the premiere, as are Mari Bjornson's brilliantly evocative sets. Further performances of ENO's smash hit Rigoletto, and final showings this season of its disappointing Don Giovanni revival. (836 3161).

Royal Opera House, Covent Garden: The New York City Ballet finishes a glorious season. See panel. (240 1066).

WEST GERMANY

Berlin Deutsche Oper: Acclaim for Lulu with Karan Armstrong in the title role was unparallelled. It has a finished Third Act. Lucia di Lammermoor is perfectly cast with Cristina Deutekom, Alberto Cupido and George Fortune in the leading roles. Fausts Verdammung convinces thanks to brilliant Kenneth Riegel in the title role. *Also on performance this week:* The Merry Wives of Windsor, finely interpreted by Barry McDaniel and Lucy Peacock. La Bohème sung in Italian stars Pilar Lorengar.

Hamburg Staatsoper: This weak's highlight is Othello with outstanding Julia Varady and Wladimir Atlantow, conducted by Guiseppe Patane. Alexander Zemlinksky's rarely played Der Kreiderreis is of respectable standard. Hoffmanns Erzählungen, feature famous Olympia Edda Moser und Luis Lima in the title role, is a Jürgen Flimm production. Donizetti's Der Liebestrank rounds off the programme.

Frankfurt Opera: Carmen has Seppo Ruohonen making his debut as Don Rose. Elektra, given for the last time this season, has Daniza Mastilovic in the title role. Der Türke in Italien brings together Ilse Gramatzki and Dieter Weller. Un Ballo in Maschera is a fresh and delightful revival. Die Entführung aus dem Serail closes the week.

Cologne Opera: End of season, New season starts on Sept 26.

Stuttgart Württembergische Staatsoper: End of season. New season starts on Sept 20

Munich Bayerische Staatsoper: End of season. New season starts on Sept 20.

NEW YORK

New York City Opera: At Press time, the musicians strike continues, cancelling scheduled performances of The Mikado but worth checking (assuming the phone company's strike allows). New York State Theater, Lincoln Center (870 5570).

New York City ballet tour

The New York City Ballet's six-week European tour beginning at Covent Garden will be a particularly poignant tribute to the company's long-time leader and inspiration, George Balanchine. The repertoire, including 16 of Balanchine's works to be performed with six by Jerome Robbins and three by Peter Martins, will be seen for a fortnight each at the Tivoli Concert Hall in Copenhagen and at the Festival International de la Danse in Paris after Covent Garden. There will be ten European premieres, among them Balanchine's Mozartiana and Robbins' Piano Pieces, first performed at the company's 1981 Tchaikovsky Festival. *Principal* dancers performing in Europe will include Peter Martins, Leonid Koslov and Valentina Koslova, Suzanne Farrell and Kyra Nichols, with the orchestra under the batons of Robert Irving, the company's music director; Gordon Boelzner, associate conductor; and Hugo Fiorato. On their return in October, the company will begin preparing for their 79th season, opening on November 15.

Music

LONDON

Philharmonia Orchestra conducted by Thomas Wilbrandt with Ralph Wallfisch, piano. Weber, Dvorak and Beethoven. Barbican Hall (Mon). (638 8891).

Philharmonia Orchestra conducted by Carlos Paita with Daniel Varsano, piano. Weber, Mozart and Beethoven. Barbican Hall (Tue).

Philharmonia Orchestra with the Choir of Kings College School, Wimbledon, conducted by Arpad Joo. Philip Fowke, piano. Beethoven, Tchaikovsky and Mendelssohn. Barbican Hall (Wed).

Philharmonia Orchestra conducted by Carl Davis with Erich Gruenberg. Beethoven, Bernstein and Davis film themes. Barbican Hall (Thur).

PARIS

Piccolli Cantori Della Turrita conducted by Eros Deltraminelli: Palestrina, Monteverdi, Mozart, Verdi, Bartok. (Mon 6.30 pm) St-Louis en l'Ile Church.

Orchestre Français des Jeunes conducted by Jerome Kaltenbach: Xenakis, Ravel, Bartok (Mon 8.30 pm) Salle Pleyel. Admission free.

One Hour With Ravel by David Abramovitz, piano (Tue 6.30 pm) Town Hall of the 5th Arrondissement.

Christiane Tardieu, soprano, Chiara Banchini, violin. Françoise Lengelle, harpsichord: Cassanea de Mondonville sonatas and cantatas: Concert Spirituel (Wed 8.30 pm) Sainte-Chapelle.

Cracow's Philharmonic Orchestra and Choir conducted by Tadeusz Strugala: Szymanowski's overture op. 12, violin concerto, Stabat Mater (Thur 8.30 pm) St-Eustache Church.

All these concerts are taking place in the framework of the Festival Estival de Paris, tel: 271 5700; sale of tickets Mon to Sat 11 am to 7 pm: 14, rue François Miron, Metro Hotel de Ville, tel: 271 5700 and Bateaux-Mouches – Port de la Conférence, *Pont de l'Alma Rive Droite;* Metro Alma, tel: 225 2255.

Ars Antiqua de Paris: 16th-century Spanish music, Shakespeare and Elizabethan music (Mon 6.30 pm and 8.30 pm) Sainte-Chapelle (340 5517).

Paul Küntz and choir with Huguette Dreyfus, harpsichord: Albinoni, C.P.E. Bach. De Falla. Bach Brandenburg Concerto No 5 (Tue 9 pm). St-Severin Church (633 8761).

Arts Week

F	S	Su	M	Tu	W	Th
2	3	4	5	6	7	8

Festival in Berlin

This year's Berlin festival is running from Sept 1 to Oct 2. The first week of performances opens with a guest appearance of the Israel Philharmonic and pianist Vladimir Ashkenazy under Zubin Mehta (Sun, Sat) The programme continues with the London Philharmonic Orchestra under Claudio Abbado offering Mussorgsky and Bartok (Mon); and the Berlin Philharmonic Orchestra with two concerts conducted by Riccardo Chailly and Dennis Russel Davies. Soloists are Martha Argerich and Alfred Brendel. All these revivals will take part in the Berlin Philharmonie.

Exhibitions

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young *Beggar – from French public collections.* Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24th, Louvre, Pavillon de Flore (260 3926).

Magritte and the Advertisers. An exhibition which could also be called "a la manière de..." because – apart from some of Magritte's own creations – so many of the posters show how advertising designers adopted the Belgian surrealist's symbolic yet simple pictorial language. Musée de l'Affiche et de la Publicité, 18 rue du Paradis. 12 am to 6 pm, closed Tue, ends Sept 11.

Exotic Flora and Fauna in art from the 17th century to the first half of the 20th century. Louvre des Antiquaires, 2 Place Palais Royal (297 2700), 11 am till 7 pm. Ends Sept 25.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Frankfurt, Kunstverein, 44 Markt: The first big exhibition of Markus Rätz with roughly 100 installations and drawings by the Swiss painter and object artist. Ends Sept 25.

Munich, Haus der Kunst: The Theo Wormland Legacy is a collection of works by Max Ernst, Magritte, Poliakoff, Antes, Botero, Goller, Rohlfs, Nolde, Jawlensky and other classical modern painters, many of whom were banned by the Nazis. Wormland, an entrepreneur, left most of the pictures he had collected to the Munich Museum, and Hanover's Kunstmuseum received the rest. Ends *Sept 11.*

Munich, Haus der Kunst, 1 Prinzregentenstrasse: the "Great Arts Exhibition – Munich 1983" has paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 18.

Nuremberg, Germanisches Nationalmuseum, 1 Kornmarkt: A documentation with 600 pictures and sculptures at the occasion of Martin Luther, the great reformer's 500th birthday. Ends Sept 25.

ITALY

Venice, Cantieri Navala all a Giudecca. Works by Burri. Ends Sept 30.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include ten of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud und Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer, Henri Lebosse. One World Trade Center, 105th storey.

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America for nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the *Britain Salutes New York* celebration. Ends Sept. 25th.

WASHINGTON

National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French impressionists and their successors is on view before dispersal to various museums. Ends October 2.

CHICAGO

Art Institute: 237 works from the Vatican Collection show the range of religious and secular art that Popes collected as important patrons to both artists and archaeologists. Compared to what can be seen in Rome, the travelling exhibit may seem meagre but at the same time, major works like the Apollo Belvedere and Caravaggio's The Deposition can be better highlighted in this carefully chosen and well-groomed selection. Ends Oct 16.

Museum of Contemporary Art: More than 100 works of the provocative, if not outrageous, sculptress Louise *Bourgeois comprise the first major* restrospective of her work, going back to the 1940s. The sexual and Women's Lib themes of recent times gained the artust a notoriety, here put in perspective. Ends Oct 30.

HOLLAND

Stedelijk Museum, Amsterdam: Modern art from the impressionists of today until the end of the month. There is a similar exhibition at the Boymans Museum, Rotterdam, until September 18.

Gemeente Museum, The Hague: The Hague School including masterpieces by the Maris brothers, Israel and Breitner. Ends Oct. 30.

French masters in Paris

The comprehensive exhibitions of 19th and 20th-century French Masters at the Galerie Schmit, Paris, documents individual artistic growth as effectively as it chronicles the foundations of modern art.

It also represents a sale of considerable importance. Most of the 100 paintings and 50 pastels, water colours and drawings are destined to find new private owners. The star of the show, Cézanne's sun-drenched Paysage du Midi (1885-1887) is yours for £1.5m.

The earliest work, from 1834, is Corot's Vue prise de la terrasse du Palais Doria. The same artist's Granville, Bateaux de pêche, with *the boats mirrored in translucent* green water, is an early example of *impressionist technique.*

Boudin is represented by seven works covering the period from 1862 to 1876, and Degas by five paintings and pastels, including Le salut de l'étoile, remarkable freshness of colour arising from the combination of distemper and pastel. There are also five small Degas bronzes.

Three Manet paintings include Profil de jeune fille, a portrait of Mlle Ellen Andrée, daughter of Manet's friend, the painter Edmond Andrée and the model for Manet's Le Polichinelle. Three Monet works cover a period of 30 years, from Petit bras de la Seine à Vétheuil, Automne, to Venise, San Giorgio Maggiore of 1908. Renoir is well covered and there are three fine Sisley canvases. The varieties of Seurat's pointillism are clearly demonstrated.

The exhibition moves into the 20th century and Fauvism with Marquet's Paris, Porte de Versailles and Vlaminck's Les baigneuses, influenced by Cézanne and Matisse. There are several Picassos, a fine example of Cubism in Juan Gris's Guitarre et compotier, Dufy's much-exhibited Le Bal du Moulin de la Galette and Staël's Bateaux of 1955.

The exhibition, Lumières sur la peinture, at Galerie Schmit, 396 rue Saint-Honoré, re-opens on September 8 and runs until November. (260 1224).

JOHN FALDING

Detail of Vlaminck's Les Baigneuses. On show at Galerie Schmit, Paris

Theatre

NEW YORK

Night Mother (Golden): Marsha Norman's harrowing drama of a young woman's last hours before committing suicide in her mother's home makes for the intellectuals' form of sensationalism, with powerful acting by Kathy Bates and Anne Pitoniak, directed by Tom Moore. (239 6200).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now *become a stalwart Broadway presence* despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

The Corn is Green (Lunt-Fontanne): Emlyn Williams' 1940 comedy about a middle-aged spinster who goes to Wales to start a school is the second offering of Elizabeth Taylor's new repertory company, which, without a role for Miss Taylor has a cast led by Cicely Tyson, directed by Vivian *Matalon.* (575 9200).

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472).

Agnes of God (Music Box): The fiery trio of Geraldine Page, Diahann Carroll and Lily Knight enliven a somewhat over-written clash of ideologies. (246 4636).

Nine (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262).

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast. (541 8394).

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8646).

WASHINGTON

Wind in the Willows (Folger): Composer William Perry and lyricist Roger McGough chose a wonderful old chestnut to turn into a musical to add a new generation's appreciation of Ratty, Mole, Badger and Toad of Toad Hall. Ends Sept 18 (547 3230).

Private Lives (Opera House): Elizabeth Taylor and Richard Burton bring their version of Noel Coward to Washington, where one hopes the presence of another of the leading lady's husbands (he's a U.S. Senator) will inspire some liveliness in a cast that seemed in New York to embalm the play rather than re-create it. Ends Sept 4. Kennedy Center (254 3770).

American Buffalo (Terrace): Al Pacino's humane and lively performance gives a wholly new and fresh look to David Mamet's bemused version of American low life with larceny in its heart, as directed by Arvin Brown of the Long Wharf Theater. Ends Sept 25. Kennedy Center (254 9895).

CHICAGO

Flash in the Pan (Theatre Building): The inaugural offering in Paramount Pictures' venture in supporting the Apollo Group's new-play series uses music to retell Grimm fairy tales. The writers-performers are veteran nightclub artists, Denise De Clue, Jeff Berkson and John Karraker. 1225 W. Belmont (327 5252).

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800).

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588).

LONDON

The Sleeping Prince (Chichester): Rattigan's *Coronation showpiece,* very pretty to look at, with appropriately starry playing by Omar Sharif as a Balkan Grand Duke, Debbie Edwards as his American show-girl mistress and Judy Campbell as his handsomely eccentric wife. Peter Coe's direction is for entertainment and achieves it.

The Rivals (Olivier): Splendid National Theatre revival, cunningly designed by John Gunter to place us in the *middle of 18th century Bath. Geral*dine McEwan takes a fresh, inquisitive look at Mrs Malaprop. Michael Hordern is an unrivalled Sir Anthony. Peter Wood directs. (928 2252).

Blood Brothers (Lyric): Strong rock melodrama by Willy Russell about Liverpool twins separated at birth. Pop star Barbara Dickson, very like a young *Gracie Fields,* is superb as their grief-wracked mother. (437 3688).

Daisy Pulls It Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Cinema/Nigel Andrews

The last days of old Sicily

The Leopard (PG) Gate Notting Hill
The Twilight Zone (15) Warner West End, ABC Shaftesbury Avenue, Studio Oxford Street
Koyaanisqatsi (U) Lumiere

Only in the magic of cinema can a leopard change its spots. And then, to fresh gasps of wonder, change them back again. Luchino Visconti's *The Leopard* first leapt upon British audiences 20 years ago: a sawn-off, strange-complexioned creature who landed in our laps with 40 minutes missing, a soundtrack dubbed into mid-Atlantic English, and a Hollywood reprocessing job which had changed Visconti's subtly sumptuous colours into a print resembling a damaged Steve Reeves epic.

Now the full-length leopard prowls again, in restored Technicolor and with Italian dialogue, courtesy of 20th Century Fox and the Gate Cinema. The film still has its vices and excesses, but at least here they are those of unbowdlerised grandeur. Adapting Lampedusa's novel of the Garibaldi risings in Sicily, Visconti is as always the inexorable romantic. Gesture and fulsome rhetoric (of music and colour as much as speech) count more than realism. And he seldom develops characters beyond a basic, powerful cluster of tones and traits.

Here, for example, Burt Lancaster is magnificently rueful and autumnal as the Prince of Salina — gazing out as Sicily's aristocratic past crumbles around him — even if all the reins and runes of his character are in your grasp from his very first scene. Likewise with Alain Delon's Tancredi, a Risorgimento Hotspur whose spirits turn with the wind like his loyalties (now he's for Garibaldi, then he's with the Piedmontese); and with his betrothed-to-be, Claudia Cardinale's Angelica, a hungry, beautiful minx from the new Mafioso bourgeoisie, whose lip-lickings and purrings are terrific (especially now we have a restored Italian soundtrack) but who still remains floridly one-dimensional.

Lampedusa's novel varied and developed these main characters far more than Visconti. But as well look for in-depth psychology from Tintoretto or Veronese. Visconti is a pair of eyes, and a stupendous pair; and they have never been better used than here.

Scarcely a scene passes before us but its parts combine in a dazzling ensemble of animated beauty. The drapes and curtains baroquely billow; the costumes reflect rippling lakes of light; the sunlight gilds and haloes the characters' faces; the camera nearly always cuts on movement, making the story a seamless, restive flow. And in the long climatic ball scene, where amid a blaze of flowers and youthful euphoria the Prince sniffs his own first intimations of mortality, the richness of sight and sound is so heady that it's like being trapped in a perfume factory.

Which indeed is the purpose and splendour of the film. It dramatises historical change and personal regret as a series not of baleful absences but of overpowering presences. You taste the air and heat in this Sicily, with its sickly, dusty, golden beauty. You see and luxuriate in the beauty of its palaces. And you know that there is a frail and ever frailer meeting-point between the seigneurial leopards of the past, *wrapped in their own splendour,* and the chameleon pragmatists of the present, from Delon's exuberant turncoat to Romolo Valli's wittily seedy time-server of a priest. And that beyond both lies the Italy of the future, a country of new, just and ruthless idealism. *The Leopard* is the best revival—nay, resurrection—in town.

★

Where Visconti turns nostalgia into tragedy, others turn it into trivia. As if the repeat-prone summer season on television were not dunking us enough in the past already, *The Twilight Zone* drops us many fathoms deep into the early 1960s. The film takes both its name and notion from the long-running TV series which used to offer weekly mystic or interstellar tales, all in glorious monochrome and resonantly introduced by host Rod Serling. ("You are about to enter another dimension, etc . . .")

Four stories from the TV *Twilight Zone* are here revamped, and they are of ascending quality. The first is directed by John Landis (who also provides the movie's spooky prologue and epilogue) and is effortfully moralistic. Vic Morrow plays the bar-room bigot who is time-warped from modern America to war-time occupied France, there to be hunted by the Nazis as a Jew and served up with some of his own racial aggro. (Brief time-trips also whisk him to the racist Deep South of America and to "gook"-hunting Vietnam, delivering the same message.)

Story two, directed by Steven Spielberg, is a winsome thimbleful of sentimental syrup about an old people's home where everyone is changed into children by happy Negro Scatman Crothers. Except Crothers himself, who clearly knows a bad idea when he invents one.

But take three is a piece of high-calibre pop-up *grand guignol,* directed by Joe Dante, which whirls around a boy (Jeremy Light) who has turned his family into victims of his own Loony Tunes imagination. They have become 2-D, cartoon-like creatures and, *pari passu,* the boy's favourite cartoon characters have become live beings who jump out from the TV set and scare everyone witless. (Special Effects by Rob Bottin.)

This story works a treat and so does the last one. Australia's George Miller (of *Mad Maxes 1 and 2*) directs the hair-raising tale of an airline passenger who sees, or thinks he sees, a hideous gremlin tearing out the plane's engines during a thunderstorm. John Lithgow plays the panic-stricken passenger and the outstanding gremlin is credited to Special Effects wizards Craig Reardon and Michael McCracken.

★

Koyaanisqatsi is a Hopi Indian word roughly translatable, I'm told by Hopi experts, as a "life out of balance." This no-narrative stream-of-imagery movie, directed by Godfrey Reggio with an original music score by Philip Glass, gives us a magical mysticism tour through just about everything you can think of in the next 20 seconds. Roaring cloud patterns, burning deserts, sunlit lakes and mountains, nuclear mushroom-clouds, soaring skyscrapers, falling skyscrapers, factory assembly-lines, sausages, whizzing light-ribbons of time-lapsed traffic, commuters, more sausages, tanks, aeroplanes, a space rocket . . . .

Thank you, your 20 seconds are up. Unfortunately, for a film so daringly abstract, its civilisation-scorning message is concussingly concrete. The movie's progression from Nature to the crowded city is the first clue, especially since the music modulates from wistful lyricism to a monorhythmic hammering sound that feels as if your head is being struck by a team of expert, card-carrying Nibelungen. *The second clue is that* whenever the camera fastens on someone walking alone in serene slow-motion in the big city, it's usually a young Negro or an old tramp: because unlike we frenetic WASP commuters, they have the secret of going with the flow of life.

The film ends with a space rocket burning up in mid-air, symbolising the futility of human endeavour as opposed to the mellow, timeless, Zen-like passivity of, let's say, the Hopi Indians.

Whenever it gives us a break from this preaching by montage, and bestows a sustained sequence or two, the results are riveting. Dynamited skyscrapers sinking slow and stately like curtseying dowagers; the trick-photographied city crowds, now scuttling in fast motion, now moonwalking in flamingo slowness; that old immortal — beautified by sunrise — Monument Valley; the phosphorescent streamers of city traffic at night. But the "Be with peace and nature" message always comes skimming back, like an unwanted boomerang. On balance, I prefer a "life out of balance" to the dated hippy equilibrium being prescribed here.

Burt Lancaster and Claudia Cardinale in "The Leopard"

A Place on Earth/Old Red Lion

Michael Coveney

Peggy Woodgreen is a 72-year-old widow living in a Stoke Newington bedsit. She gets up in the morning, makes herself a cup of tea, talks to her African violet on the window sill and confides in a tatty glove puppet. The memories of a lost son and distant daughter (who telephones occasionally) flow through the dingy room. Two black-garbed actors provide Peggy's inner voice and the sounds from the hallway.

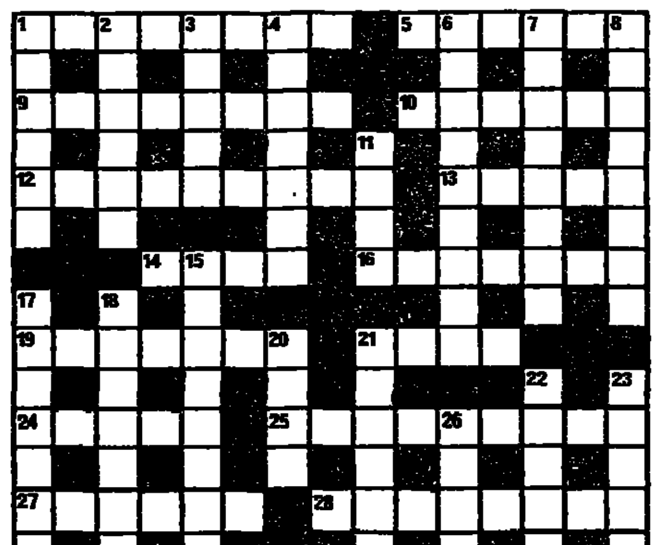
Peggy is a rape victim. The immediate brutality of this recent misfortune is sonorously contrasted with the longing of a lonely old woman for the comfort of physical love. At the same time, Peggy has been cast as a weird woman, a witch even, by taunting children on the outside. And yet, as Betty Jane Wylie's delicate little play makes abundantly clear, there is nothing exceptional whatsoever about Peggy.

This, alas, is what makes it so trying to sit through. Except for a couple of moments where Peggy playfully dons the vampire teeth sent in the post by her grand daughter, or spins off into the fantasy relationship with the puppet, the evening is a bit of a chore.

No blame be needlessly attached for this to Anna Wing, who plays Peggy like some chipper, resilient impersonation of Elsie or Doris Waters. As the play is in fact Canadian, the performance is at least a totally convincing Cockney piece of character transformation, although some of the musical snippets have not received a similar attention from the director Kate Harwood.

In the airless crucible of the Old Red Lion attic in Islington, the design and lighting of David Oliver and Jacky Brooks lend the play a quiet and competent dignity entirely suited to Miss Wing's acting. The over-riding impression is of an old dear looking on the bright side as each day dawns and eking out a carefully organised existence related to physical routine in spite of the severe jolt it has suffered.

F.T. CROSSWORD PUZZLE No. 5,206



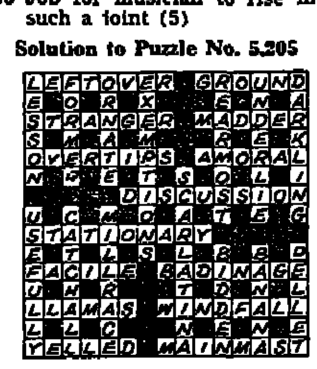
ACROSS

1 Coward's pollenosis? (3, 5)
5 Dust settling at No. 10—some paint on it (6)
9 Operations whereby parts of mine are removed (8)
10 Turning e.g. sour to grumble (6)
12 Aligned—that describes a hypotenuse, often (9)
13 Raphael, for instance, breaking a leg around noon (5)
14 Home fixture for City (4)
16 Pat's oath to entreat, not matched *in Scotland* (7)
19 Single game of chess still on? (7)
21 Design for tailless aircraft (4)
24 Flop down in soft, shapeless mass (5)
25 Here is what's-his-name, emaciated and toothless (9)
27 Strange occupation for Bond's adversary (3-3)
28 Heavy jumper with pocket at the front (8)
29 Streetcar's return takes a year—torture! (6)
30 Kingsley's way with bad warts—get married outside (8)

DOWN

1 Seat on a Jumbo (6)
2 Could be a worry in the garden (6)
3 *Being observant,* having some money in gold shares (5)
4 Side-shingle renovated (7)
6 It is extremely painful! (9)
7 Very mean work keeping Barnaby in temperate surroundings (8)
8 Give bowler too much to do? (8)
11 Perhaps rue her book being short (4)
15 Church music makes triumvir kind of hip inside (9)
17 Space for persistent questioning in 14? (4-4)
18 Have repressed feelings of anger for Mods' rule, perhaps (8)
20 Tax on goods and service? (4)
21 Is he reluctant to parade? (7)
22 Many leaving English lakes for mountains of Italy (6)
23 I say! This? (2,4)
26 Job for musician to rise in such a joint (5)

Solution to Puzzle No. 5,205



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Friday September 2 1983

Paradoxes of U.S. growth

WITH RETAIL sales flattening in July, car sales relapsing sharply in August, and now the smallest rise in the composite leading indicators since last year, the U.S. economic recovery looks rather less convincing than it did at the height of summer. Indeed, if the economy were driven solely by consumer demand, it might be dismissed as not so much an *annus mirabilis* as a *quartus mirabilis.*

In the second quarter, with its 8.7 per cent annual growth rate, nearly everything seemed to conspire for recovery—a sharp fall in the savings rate, as consumers borrowed in anticipation of their tax cuts, a car sales boom sustained by special offers and cheap credit, the end of de-stocking, and rising Federal outlays, all on top of the really remarkable recovery in housing construction, where outlays are 60 per cent above their 1982 level.

Stabilising

The third quarter will not be so good. The growth of net consumer incomes has slowed sharply—a reflection of the very modest growth of earnings—while the savings rate has bounced back above five per cent. The housing boom continues, though at a gently slowing pace, and industrial surveys show that companies are trying to stabilise their inventories rather than rebuild them. This is very much in line with British experience, where a period of acute financial strain, followed by the reappearance of high real interest rates, has pushed industry through a crash course in stock control.

Farm output, still an important component in the U.S. economy, will be down sharply this year—much land was left fallow in response to Federal incentives designed to reduce stockpiles and the crops that were planted are suffering drought. As a result, of course, prices are beginning to recover, which may do something to restore the acutely depressed real incomes of U.S. farmers, but this is bad news for the consumer.

There are also some disturbing signs that inflation in the U.S. will soon be rising again. While the prices of final output have recently been rising more slowly than ever, inflation among intermediate goods and industrial commodities has risen quite sharply in recent months, rising at an annual rate of 7 per cent for industrial intermediates, and nearly 13½ per cent for non-food materials. There are also signs that the labour unions are now hoping to recoup some of the sacrifices of real incomes which they accepted during the depths of the recession.

Silver lining

It is wholly ironical, at first sight, that the appearance of this relatively bad news should have provoked a sharp rally in the equity markets; but there is logic in this paradox, and the news is not all bad. The silver lining, of course, is in the credit markets, where fears of rising private credit demands on top of the huge Federal deficit are abating. In this respect, even the prospective rise in inflation has a good side: with an unindexed tax system it should lift Federal revenues more sharply than expenditures.

Finally, there is underlying good news about the supply side of the economy — a promising recovery in machine tool orders, booming sales of computers and electronics, and the success of Detroit in recapturing the loyalty of U.S. car buyers. Where the supply side of an economy is healthy, it can stand up to a good deal of questionable management. Where it is weak, as too much of the British productive economy remains, not even the soundest management seems able to get it moving.

Nevertheless, better management would be helpful even in an economy with the underlying strength of the U.S. The final paradox is that the recovery in output, and the subsequent recovery in Wall Street as the real economy has slowed, seems only too likely to reinforce the new economic complacency in the White House. The economy would recover more reliably with a more reasonable deficit—especially a lower prospective deficit—and a less hidebound approach to funding. The Americans may be able to live with their high interest rates, but the rest of us still find the going hard.

Injustice in Zimbabwe

THE ACQUITTAL of six white Zimbabwean air force officers facing sabotage charges in Harare is a welcome indication of the continuing independence of that country's judiciary, even in a case of extreme political sensitivity. The Zimbabwe Government's decision to re-arrest the men within minutes of the judgment, in terms of its sweeping emergency powers providing for indefinite detention without trial, is all the more regrettable and disquieting.

Immediate concern has been expressed in both London and Washington—the two principal sources of aid for Zimbabwe since independence in 1980—and an urgent explanation has been requested. That concern is understandable, for Mr Robert Mugabe's government seems to be making an unfortunate habit of ignoring the verdicts of the courts. The air force men's trial is only the latest of four in which the defendants have been re-detained on security grounds in spite of having been acquitted on all the charges they faced.

The present case goes back to the sabotage in July, 1982, of 13 aircraft at the Zimbabwe Air Force base outside Gweru. The attack was a grievous blow to Zimbabwean pride, and was immediately blamed on South African saboteurs seeking to destabilise the country. It greatly aggravated the anxieties of a government already facing a serious dissident problem in Matabeleland, seeking to meet the high expectations of its supporters at a time of economic recession, and convinced that the country's white minority could be harbouring a Fifth Column bent on its ultimate destruction.

Those fears have pushed Mr Mugabe's government along a dangerous path. It employs the full panoply of security laws at its disposal with as much vigour as the white regime of the former Rhodesia from which they were inherited. The laws themselves all too often negate the authority of the courts. And in this case, as previously, government officers have resorted to torture and brutality.

Guarantees

In April, six leading members of Mr Joshua Nkomo's Zapu party, including Lt-Gen Lookout Masuku, deputy commander of the Zimbabwe National Army, were acquitted on arms and treason charges. They were immediately re-detained, and have remained in custody ever since. Now comes the air force case. All these actions deserve equal censure.

Britain has a special concern in the affairs of Zimbabwe stemming from its underwriting of the Lancaster House agreement which ended the country's bloody civil war. That constitution included guarantees of human rights and an independent judiciary designed not simply to protect a white minority, but to give an entire divided nation confidence in the new system.

The British Government also faces strong political pressures because of those long-standing ties of kith and kin with Zimbabwean whites. The fact that four of the air force officers hold dual British-Zimbabwean nationality underlines the issue. A powerful lobby within the Conservative Party, which has never been sympathetic to the independent Zimbabwe, will undoubtedly stress this when it presses Mrs Thatcher to take action.

Aid programme

Her strongest bargaining tool, should she wish to express displeasure at the trend in Zimbabwe, is Britain's substantial aid programme, under which some £114m has already been pledged since independence. This aid is tied to projects which are crucial both to the economic development and political stability of Zimbabwe, and is not always easy to use as a diplomatic weapon, particularly in a case like this.

For his part, Mr Mugabe needs to retain the support and confidence of the white minority within the country, in order to retain their skills, and prevent a mass exodus. That is why the racial undertones in the air force trial are particularly unfortunate, and why the re-detention of the officers should be urgently reconsidered.

He also must realise that a high-handed attitude to his own constitution will seriously erode the sympathy and support he has enjoyed in the West. Future requests for assistance will receive less generous consideration, whatever the justification, unless he observes the message of Lancaster House in spirit as well as in letter.

BRITAIN'S TRADE UNIONS

Coming to terms with Tebbit

By John Lloyd, Industrial Editor

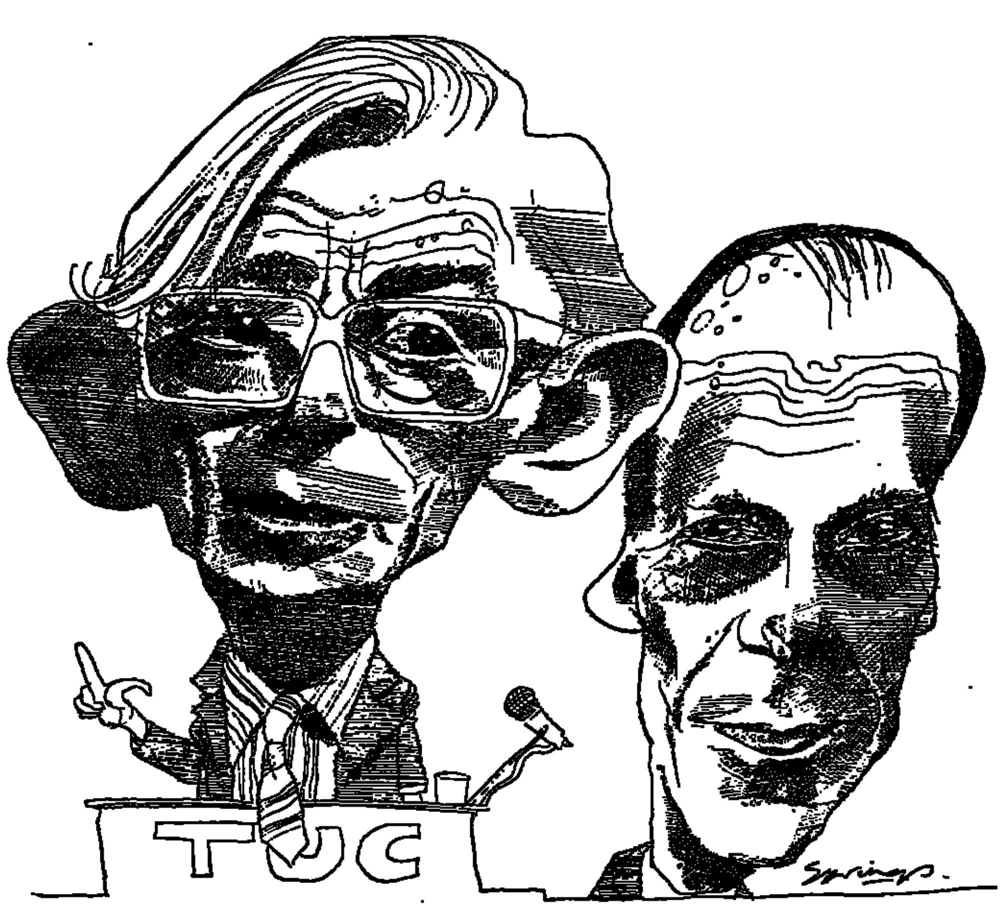
NEXT WEEK's TUC Congress—the 115th—is a more than usually important one for Britain. A cluster of central and interdependent issues must be broached—it is a fair bet that they will not be resolved—and the way in which they are tackled will largely determine the direction taken by the unions in the future, both immediately and in the longer term.

So closely interwoven are the issues that it does some violence to reality to unravel them. But in deference to Congress debating style—grinding slow and exceeding small through motion after motion—and for the sake of some coherence, they can be listed as follows:

The role of (and possibilities for) the TUC as a partner with government and industry; the relationship of the TUC to the Labour Party and its alternatives; the negotiating posture of individual unions and the influence of the TUC on them; the political complexion of the future General Council.

The first of these has attracted most attention and has been reduced to the simple dilemma — a sharp one, certainly — of whether or not the TUC should talk to Mr Norman Tebbit, the Employment Secretary. This figures prominently on the conference agenda in a motion which allows the TUC to break its 18-month vow of silence on talks about industrial relations law: and it is bound to be supported, since a large gamut of unions, from left to right, are in favour, despite their provisos and caveats. But what will it mean?

"Talking to Tebbit has assumed a symbolic stature it doesn't deserve," says Mr Len Murray, the TUC's general secretary. "It is a relevant tactic for the TUC, it's not a principle. There are times to push for things, times not to, and these must be judged as they arise."



Len Murray (left): changing his mind about talking to Norman Tebbit

Time to push on the Government door again

Mr Murray's judgment, apparently shared by a majority, is that it is time to push on the Government's door again: but neither he nor anyone else in the unions really know what is on the other side. Mr Tebbit has been by turns both high-handed and conciliatory in the past few weeks—declaring, after the first meeting with union leaders two weeks ago to discuss the youth training scheme that "I have not changed at all — it is the TUC which is now taking a more realistic view of politics," on the other hand, making it clear in an interview that he expects to be influenced in his framing of future legislation by TUC pressure.

Influenced—but within limits. "I don't think they are yet ready to accept that they will have for all times a much smaller role. I think they want to establish a role because otherwise they will be sliding out of the picture. I don't think we are ever going to make economic policy and agree norms together—so they are going to have to settle down to examining in what way they can get benefits for their members."

Accepting such a diminished role, even if it is seen to be temporary, conditional and tacit, will be terribly hard to swallow for a trade union movement which, in the middle and late 1970s enjoyed as much leverage on government as any in the world. Some on the Left, like Ken Gill, the Communist general secretary of the white collar engineering union AUEW-Tass, will not accept it now. "It would mean abandoning every policy we have got. Talks must always be predicated on the notion that government takes us seriously: this one does not," he says.

Others on the "inside" Left like Mr Rodney Bickerstaffe, general secretary of the National Union of Public Employees, are dismissive of the outcome of talks but prepared to go along—while feeling that the Government will win the publicity battle. That fear is echoed by Mr Murray: "I am quite prepared to walk out if we find we're getting nowhere at all and we are losing out in public relations terms. There's nothing in it for us if they take all the PR tricks."

On a future agenda for meetings between the opponents is: immediately, talks on the legislation foreshadowed in the White Paper on union democracy—the main proposals being for ballots for union executives, ballots before strikes and ballots on political funds.

The TUC's relationship to the British Left is, for the first time for decades, possibly more than merely its relationship with the Labour Party. The underlying reason is the profound shock suffered by union leaders and activists on June 9; and the depth of the re-evaluation now demanded by leading figures like Mr Basnett, Frank Chapple of the electricians, Clive Jenkins of the white collar union ASTMS and Gavin Laird of the engineers. Mr Murray characteristically locates the issue in a historical context:

"We must not simply ask ourselves what went wrong in 1983, but in 1979 and before. I think there is such a thing as the "45" generation of which I am a part and that generation has constantly refreshed itself with Beveridge over all those years. We assumed this was common to all sections of society. But these first principles are now being questioned.

"The Tories sensed these deeper trends in 1979 and we did not. These trends are not irreversible—but I am conscious in saying that I am expressing a hope—a belief—a set of convictions."

Mr Basnett shares this analysis and extends it to the Labour Party. In an article published in his union's journal on Wednesday, he wrote: "In all the post-war years we have been dealing with a Labour Party, which is either in government or the obvious and only alternative government. Whatever our problems the next government would be a Labour government. That assumption was destroyed in the tragic electoral defeat in June . . . at the moment we cannot presume the outcome of the next election. We cannot therefore put as many eggs in the basket of legislative change after the next election as we have tended to do over the past few years."

A drawing back from links with the Labour Party

This will not mean a severing of links with the party: among the leaderships of unions affiliated to the party only Mr Chapple has even mooted that. It does mean a drawing back: for some, like Mr Chapple and Mr Laird, it means examining more carefully what the other political parties have to offer. This trend will be accentuated by the non-affiliated unions, two of which—the Civil and Public Servants' Association and the Institution of Professional Civil Servants — have contributed heavily to a composite motion warning, in code, against too close a reliance on Labour.

Mr Alastair Graham, the CPSA general secretary, now emerging as a force on the centre-right, says that "I think it would be a good thing for the TUC and the Labour Party to go their own way more on policy." Mr Bill McCall, the IPCS general secretary, says that "my position is that we should be ready to talk to anyone who might benefit us—not just one party."

Yet unions will always seek political influence; even Mr Tebbit is realistic enough to recognise that his best hope is merely a less politically committed general council. The unions will collectively see the Labour Party as the vehicle for that expression until, as Mr Murray says, it proves that "it can never achieve power." That has yet to be proved.

This emerging centrist position will not of course go unchallenged. Mr Bickerstaffe describes the many calls for re-evaluation as "a little hysterical," and believes that splits within the Alliance, coupled with growing government unpopularity as the inevitable cuts go deeper, will swing things Labour's way again. For the harder Left, the strategy is to retire behind the barricades and wait for better times.

"The imperative is this: we must defend ourselves in a hostile political atmosphere," says Mr Gill.

The unions will decide on their negotiating positions individually, influenced more by the economic climate and by their own sector's health or sickness than by TUC decisions. But these last will matter, possibly more than before.

Over the past four years the TUC has fallen prey to the same affliction as the Labour Party (albeit in less malign form). It has appeared to believe that all worthwhile reforms depended on government action and that it must therefore present an ever-lengthening list of such reforms to a government which, it well knew, would accept none of them. Thus the TUC's annual economic review would call for massive reflation, huge public works, vast programmes of job creation and would put these to ministers in a non-negotiable way, representing their failure to be instantly converted as proof of their bloody-mindedness.

Now, that strategy is set to change. "We have seen 57 varieties of lists in recent years," says Mr Murray. "We have tended to add everything together and thus not prioritise on what we can achieve."

Setting priorities will mean two things: first, the unions will go to the Government with specific objectives which might be achievable and be prepared to bargain over them—an approach Tebbit seems prepared to entertain. He even sees the TUC entering into Whitehall battles, supporting one ministry view against that of another, like other pressure groups.

The second effect might be equally far-reaching, since the unions accept they can get little or no encouragement from the Government on matters such as low pay, or shorter hours, they will attempt to make these objectives part of the bargaining agenda with employers. Says Mr Basnett: "While we would ideally like statutory intervention, our strategy for the next four years on such issues as low pay, equal pay, shorter hours and fringe benefits will receive no help from the state whatsoever — any state intervention would be a major hindrance. It is up to trade unions to co-ordinate their bargaining objectives to adjust to that fact."

Co-ordination will face the usual problems, but has support from Mr Bickerstaffe on the Left and will be aided by the probable passage of a motion next week committing the unions to press for a minimum wage. The plight of the low-paid, glimpsed by union strategists as a Government Achilles' heel, will receive more attention than in the past.

The bitter wrangle over membership *of the council*

Finally, what manner of general council will oversee these immense changes? The bitter wrangle over the new principle that unions of more than 100,000 automatically receive at least one seat on the general council continued throughout yesterday morning and will be fought out once more on the Congress floor on Monday. The system is bound to come in this year — though Congress could decree that it is for one year only and demand a further review in 1984.

It is expected to yield a more centrist to rightist council, possibly heavily so, if the small unions who do not have automatic representation elect right-wingers.

Mr Murray says grimly that the new procedure will fail if members simply glare at each other across the council chamber table: Mr Gill says it will under-represent key groups like the miners and train drivers and will make bitterness inevitable. For Mr Basnett, who has pushed strongly for change, the system is inevitable because it reflects the unions' real strength.

The debate has been accorded enormous weight by council members but is barely understood outside Congress House. "We've had more votes on that issue this year than on all issues in the past five," says Mr Murray, adding "I don't like votes."

One could see in the concentration of internal issues a paradigm of exactly the kind of behaviour the union leaders must eschew if, as Mr Basnett advocates, they become "evangelical" once again. Can they overcome their sectarian inertia, as well as the ingrained instincts of the "1945 generation" and the indifferences and hostility which surround them to become effective once more? And on what terms? Watch the news from Blackpool closely next week for some pointers.

Men & Matters

Reagan's credit card

With mounting concern about the size of the U.S. budget deficit, this would not seem the best time for the Reagan Government to start handling out credit cards to its employees.

But an initial 250,000 government staff will soon be using their pieces of plastic to clock up bills of around \$3.5bn a year. Troop movements and airline tickets home for illegal immigrants will be charged along with more commonplace requirements.

Washington shows no sign of worry over the prospect. Quite the reverse, in fact. Gerald Carmen, who runs the General Services Administration, the Government's housekeeping unit, describes the decision to issue the cards as a "financial innovation" and "another progressive step by the Reagan Administration."

By handing out cards to government workers, Carmen argues, he will be able to get rid of the present system of cash advances. In addition, the service is being offered free to the Government by Diners Club which will earn its fees from the retail outlets where the cards are used.

Diners Club, until recently the also-ran in the charge card market, is naturally cock-a-hoop about signing up the world's biggest spender. This will double the size of its corporate card business; and the deal has been done under the nose of American Express which reckons that it has 90 per cent of the market.

When I talked to them yesterday, American Express officials were putting on a brave face. While not privy to the terms that Diners Club offered Uncle Sam they believe it is taking on the business as a loss leader to establish itself in the market.

American Express, apparently, baulked at the question of who shouldered the liability if, for example, a disillusioned government official eloped with his secretary to South America with the help of his Government-issued charge card.

Diners Club seems to think that sort of risk is worth taking and predicts the new contract is going to be "very profitable."

On board

Robert Horton is said to have told classmates at St Andrew's University more than 20 years ago that he would like to end up either as Prime Minister or chairman of British Petroleum. A year later he joined BP; and yesterday he edged within reach at least of his chosen goal.

At the age of 44, Horton is joining the oil group's board in December as a managing director, taking over the responsibilities of retiring deputy chairman Robin Adam for finance and planning. Another board member, Roger Bexon, becomes deputy chairman.

Only Peter Walters, BP's current chairman, gota seat on the board at a younger age, and even the oil industry's sceptics were rubbing their eyes yesterday at Horton's spectacularly swift rise.

A genial opera-buff, Horton worked his way through jobs in oil supply, planning and marketing in the UK and Europe after joining BP in the late 1950s.

In 1973, he was appointed strategy and finance co-ordinator for European oil marketing companies, and two years later, general manager of BP Tanker. He had a stint in corporate planning before moving over to BP's chemical side in 1980.

Known in the industry as Britannic House's "Titanic," the chemicals division has not made a profit since 1980 and despite Horton's vigorous pruning, it is unclear whether the division will be in the black by the end of this year.

With a year as a Sloan Fellow at MIT in Boston under his belt, however, Horton made it clear when he joined the division that he saw his job in an international context. As chief executive, he travelled the world, met and lobbied politicians, and generally kept his head up while many in the chemical industry were losing theirs.

Spell-binding

Political education is not what it was in the Labour Party. While showing a commendably democratic concern to ballot all its members on the election of the party's next leader, the Wealden, Sussex, local party lists previous holders of the post as Harrold Wilson, James Callahan, Hugh Gaitskil, and Clement Atlee.

Salt seller

Dr Roy Swayne is a man with confidence in his own technology. "I've got it in my own house," he says, of a new heat storage system using molten salts that his company, Calor has just begun to sell.

He says he lives near the ladies of Greenham Common, in an area unserved by natural gas. So his choice for space heating is oil or electricity.

From a volume little bigger than a domestic fridge, Swayne gets 80 kw-hours of off-peak electricity storage at 70 deg C—"just right for my conventional radiator system." But the Calor salt mixtures go as high as 100 deg C if a system needs it.

Swayne is in charge of the development of alternative energy sources for Calor, against the day when its hydrocarbon fuel gases run out. He reckons he has spent nearly £1m on molten salt storage.

His Calortherm storage heaters evoke nostalgic echoes of the days when the railways would lend you a pot of molten salt at your point of departure. You sat the insulated pot in your lap. As the salts solidified they gave off heat steadily to warm you on your way.

The big difference that has cost Calor £1m—in which a Buckinghamshire research centre called the Fulmer Research Institute was a great help—is to come up with a salt mix that can be cycled many thousands of times without failing the customer.

Time table

Francis Kaunda, chairman of Zambia Consolidated Copper Mines, is going to have little spare time over the next six weeks—he has to present 4,056 of his employees with watches as 20-year service awards.

Presentations have been held up for the past 18 months because the company could not obtain foreign exchange to pay for the traditional awards of watches and ties.

The last of the watches arrived from Britain a couple of weeks ago but the ceremonies had to be postponed again because of late delivery of the ties.

High ride

From Washington comes a rumour that the American Automobile Association and Alcoholics Anonymous are going to be merged into the AAAAA, for Congressmen who are being driven to drink.

Observer

FIGHTING IN LEBANON

The makings of the tragedy

By Patrick Cockburn, recently in Beirut

"MOST OF the Moslems in the army will not fight against us. If the Government tries to do anything Beirut will blow up," said a Moslem militia leader at his command post in the mountains overlooking the Lebanese capital last Sunday. Within hours his prediction seemed to be coming true. By nightfall Beirut had exploded.

Moslem militiamen took over the whole of West Beirut, the Moslem half of the capital, which they had ruled up to the Israeli invasion of last year. For a moment it appeared that the Government of President Amin Gemayel was going to fail a crucial test of strength and that its 25,000-strong army might fall apart. Militiamen waving Kalashnikov rifles and rocket launchers once more ruled the streets of the capital.

But in the fighting of the last few days President Gemayel may well have won a crucial victory in a battle he could not afford to lose. The army did not split between Christian and Moslem, as it did in the 1975-1976 civil war. Some 10,000 regular troops had by Wednesday evening apparently brought the battered western part of Beirut under Government control.

This is a significant success, all the more so in the context of Lebanon where the state has never been strong. The publisher of Beirut's leading newspaper, Nahar, once said that in Lebanon "The Government does not exist, and whatever part of it does exist has no authority, and whoever has authority is not in the Government." For many Lebanese the fighting of the last few days was a test case, to see if this nostrum was still true.

The extent of the Government's achievement can also be exaggerated. President Gemayel still faces seemingly insoluble problems. One-third of the country, which is only half the size of Wales, is controlled by the 45,000 strong Syrian army in the east of the country and another third by the Israeli forces in southern Lebanon.

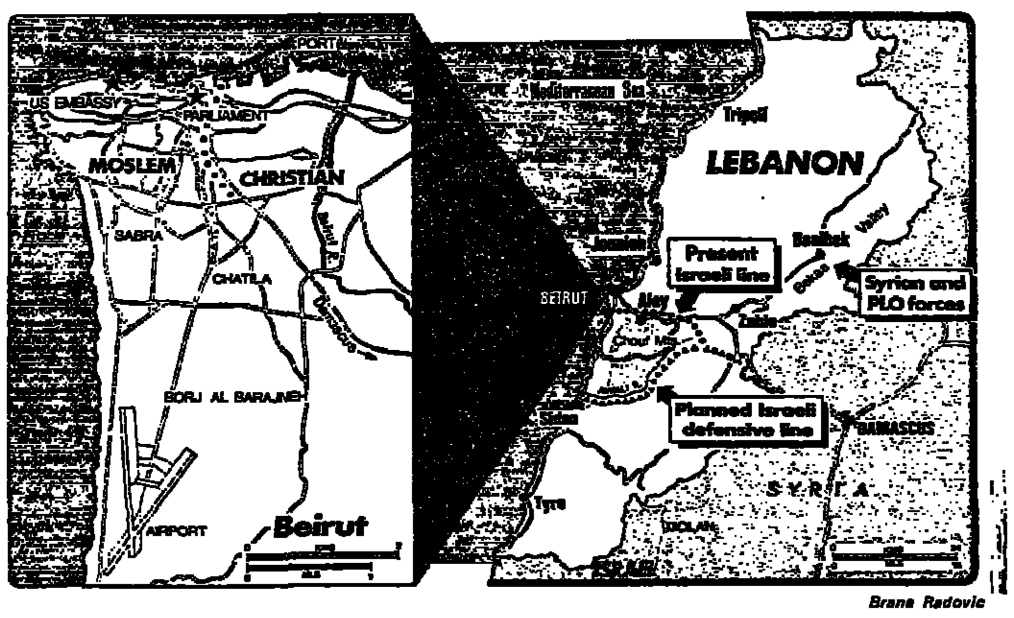
The Lebanese Government controls only the greater Beirut area and even there its authority is often tentative, since the powerful Christian militia in East Beirut has never been disarmed. Its leaders pay only token loyalty to the President, though they were formerly commanded by his brother, Bashir, who was assassinated last year after occupying the Presidency for only 23 days. Even Mr Pierre Gemayel founder of the main Christian Party, the Phalange, seemed to give his son, the president, only qualified support.

The central problem is that the Lebanese have never formed a single nationality. Over the centuries the mountains which form the backbone of the country have been the refuge for communities and religious sects under threat of persecution. The result is that the ethnic map of Lebanon is a complex jigsaw puzzle of Moslem, Christian and other communities, none of which has much loyalty to the state, and each maintaining its own militia. There are no less than 16 officially recognised militia groups, and the art of maintaining even a semblance of civil peace in Lebanon depends on working out some form of power sharing between the most important of them.

It is this which President Gemayel is now trying to do. The success of his army in West Beirut will be only temporary unless he can reach some better understanding with Moslem leaders.

Such an agreement is of pressing importance because, within a week, the Israeli army is to pull out of the rugged Chouf Mountains, south east of Beirut posing a new test for the Government's authority. The area is a microcosm of the problems of Lebanon. It is the stronghold of the Druze, a heterodox Moslem sect with some 300,000 members led by Mr Walid Jumblatt. They have their own heavily equipped private army and a reputation for communal solidarity and military efficiency.

But the Chouf is not occupied by the Druze alone. Nestling in the mountains there are also the villages of the Maronites, the most important Christian sect in Lebanon. For many years a truce existed between the two groups, even when civil war was raging in the rest of Lebanon in the mid-1970s. It broke down only when the Israeli invasion allowed Christian militia forces to move into the Chouf last year.



Brane Radovic

A simmering civil war, has gone on ever since with the Druze generally getting the better of the fighting. The Israelis, whose arrival had precipitated this savage little conflict, made efforts to prevent it getting out of hand. But they themselves have become increasingly conscious of the vulnerability of Israeli troops to guerrilla attacks in this broken and mountainous countryside.

The Government in Jerusalem is anxious to keep down Israeli casualties because it knows that every death fuels disillusionment with the Israeli invasion of Lebanon last year. The new Israeli line—along the Awali River, north of Sidon—should be more defensible.

Strong pleas by Mr Robert McFarlane, President Reagan's special Middle East envoy, have delayed the Israeli pull-out, but the Israeli's say that come what may they will withdraw within a week.

The Druze want the Christian militia forces out of their areas and swear they will resist any attempts by the regular Lebanese army, which they accuse of being but a mask for Christian domination, to move into the Chouf. Nobody doubts that there are the makings of a full-scale civil war in this complex but bloody civil conflict.

Indeed it is the tragedy of Lebanon that at any moment two or more groups in its community may grate together for some wholly parochial reasons, and provide a spark which will ignite the whole country.

To prevent such sparks President Gemayel needs to create some sort of balance of power between the different Christian and Moslem communities. This is difficult enough given the savagery of the fighting in the years since the civil war started.

The problem is made worse because so many of the crucial decisions on the future of Lebanon are not made within his borders. So often the Lebanese are at the mercy of the interests and policies of Jerusalem, Damascus and Washington (and Moscow).

President Gemayel's jubilation at clearing West Beirut of militiamen must already have been tempered by Syria's reaction. Damascus Radio accused him of "declaring through his artillery and armour his Phalangist affiliation, and his open loyalty to American designs aimed against Lebanese national resistance to the Israeli occupation, and to the partition of the country into a U.S.-Israeli protectorate."

This is more than just rhetoric. Syria was the predominant power in Lebanon, from 1976—when it intervened to stop the civil war—until the Israeli invasion last year. It has much the largest single army in the whole country, and Beirut is well within artillery range of its units in the mountains to the west of the Bekaa Valley.

But President Assad of Syria does not have to commit his own troops. He has created a loose alliance of forces opposed to President Gemayel of which the Druze are the cutting edge. He is determined that the Israeli-Lebanese understanding signed this May, after mediation by Mr George Shultz, the U.S. Secretary of State, should remain a dead letter. This may prove easy enough to accomplish since implementation of the agreement is dependent on a Syrian withdrawal from Lebanon.

This, the Syrians are adamant, they will never do. Their confidence has recovered rapidly since the war last year. At that time President Assad was glad to avoid the destruction of the Syrian army which he believed General Ariel Sharon, the Israeli Defence Minister and architect of the invasion, hoped to accomplish.

Damascus is now getting strong military and political support from the Soviet Union. But above all, the Syrians are increasingly confident that the Israelis are not prepared to risk another full-scale war in Lebanon.

For the moment the Syrians are more likely to come into conflict with the U.S. than Israel. It is to Washington that President Gemayel has looked to free him from occupation by his two powerful neighbours and so far he has looked in vain. The White House never appeared to appreciate the nature of the Lebanese political quagmire from the moment that it failed to restrain General Sharon's advance last year.

At that time the Lebanese Government hoped that the U.S. would give enthusiastic backing to the creation of a pro-western state in Lebanon cleared of Palestinians, Syrians and Leftists. The Maronites, in particular, had hoped that President Reagan would be delighted to see Lebanon, under a largely Christian Government, play much the same role in furthering American interests in the area as Israel had in the past.

To do this, the Lebanese Government needed Washington to force Israel and Syria out of the country and then to give heavy financial, military and diplomatic support. In fact aid has been far more limited. But the multi-national force, including a large detachment of U.S. marines, gives confidence and a degree of security to many in West Beirut.

It is difficult to see, however, how President Reagan will respond if his marines come under sustained fire from Druze artillery men or from the Syrians themselves. Commitment of more U.S. troops to defend those already there, is the beginning of a slippery slope.

So far, Mr George Shultz has limited himself to saying that the marines already in Beirut will not be withdrawn. This week's battle in Beirut has shown that President Gemayal and his army are not going to fade away in the face of the host of enemies who confront them. But the fragmented nature of Lebanon's politics and society puts strict limits on the extent to which he can exploit this victory. His ultimate fate and that of his country, is not in his own hands.

Lombard

The Sizewell B marathon

By David Fishlock

HERE is a piece of news that will excite very few readers. Later this month the Sizewell B public inquiry, into plans of the Central Electricity Generating Board to build a big pressurised water reactor in Suffolk will re-open at Snape Maltings after the summer vacation.

It has already sat for 104 days: longer than the marathon 100-day Windscale inquiry, of which it was said that, had the nuclear industry written the inspector's report for him, it would not have made such a good case for nuclear energy.

The Sizewell inquiry is re-visiting much of the same ground. Nuclear industry opinion on when the inquiry will end varies from the spring to the autumn of next year: 200 to 300 days and perhaps more. Nuclear bosses are a bit despondent, both about the delay and whether, at the end of an inquiry which is already rambling, they can reasonably expect such a crisp, concise testimonial as Windscale produced.

Should the Government seek some way of curtailing or even abandoning this public inquiry and reverting to the simpler formula by which previous nuclear stations were built? Neither locally nor nationally has the public shown any real interest.

Most newspapers and broadcast news have virtually ignored it, focusing only on fringe events such as demonstrations and Press conferences staged by opponents. A national appeal backed by eminent public figures to raise money to support the opposition was abandoned, unheeded, after a few weeks.

The reason is plain. The Sizewell opposition groups do not have a clear, cogent reason why the station should not be built. Public interest in nuclear energy generally, and Sizewell specifically, centres on whether it is safe to live with. But the public also appears to accept that—as in the case of mines, factories, explosives, etc.—its interest is best served by the professional engineers and scientists appointed by the government as its health and safety inspectors, not by sparsely funded groups which oppose the project.

So the inquiry has rambled into such diversions as national nuclear weapons policy, the unsung merits of wavepower, the exchange rate in the year 2000, and much more, as opponents sought for some weakness in the CEGB case.

Safety of the PWR may command more attention this autumn. But whether it can kindle a public interest which has been non-existent for over 100 days is a point which worries opponents. The Navy is well on its way to completing its second shore-based PWR in Scotland, and to people of ports such as Plymouth and Chatham the PWR-propelled submarine is a familiar sight.

For 19m electricity customers in England and Wales, there is a price to be paid for meeting the cost of this protracted inquiry. The CEGB pays the bill not only for the inquiry but for maintaining a large and alert professional staff to leap nimbly after each fresh attempt to divert the inquiry.

But neither cost nor delay is sufficient reason for abandoning the inquiry. If the CEGB has got its sums right — the inspector will tell us — the cost will be absorbed easily by the economic advantages of the first PWR over the inherently much bigger and more expensive British advanced gas-cooled reactor, which itself looks a better bet than coal or any renewable "third fuel."

As for the delay — the CEGB acknowledges that earlier plans to start construction next spring have slipped to 1985 — even that is providing some bonuses. The CEGB had previously planned to minimise risk to the first of a series of PWRs by buying the nuclear reactor itself from Westinghouse.

But British engineering companies, unsure how far away the successor to Sizewell might be, have argued vociferously for a share of the high-technology heart of the project. The delay, aided by the exchange rate, has given time for British companies to tool up and submit very competitive bids. Almost all of Sizewell B will now be British-made.

On balance, and taking account of the fuss opposition groups would make if the Government were even to hint that it was thinking of curtailing or abandoning the Sizewell inquiry, there is more to be gained from letting it run the full course.

Letters to the Editor

The price of life and economists' valuations

From Dr J. Broome

Sir,—I am glad that Professor Jones-Lee has responded (August 22) to my article about valuing life (August 17). His work in the area is extremely important and, I am convinced, beneficial. If the Department of Transport is going to use a money value for life, then I am sure it would do better to adopt his figure instead of its present lower one. As Professor Jones-Lee shrewdly points out, this favourable opinion of mine may seem hard for someone with my views to justify. But I could justify it and I shall not withdraw it.

Both he and Mr Marin (August 23) chide me for speaking of the value of life rather than of risk to life. The latter, they say, is much easier to settle and all we normally need. But actually the two are so closely connected that we cannot know one unless we know the other. If, therefore, we cannot value life, as your correspondents seem to concede, we cannot value risks to life either. The connection is simply this: if it is worth society's while to spend some amount of money to save my life it is worth its while to spend one-thousandth as much to save me from a one-in-a-thousand risk to my life. This is what the ordinary theory of rationality tells us, provided we can assume that the value of money to society is the same in either case. Since my death will make no noticeable difference to the value of money to society, that is a good assumption. (My death will make a big difference to the value of money to me, so the rule does not apply to my own spending on my safety.)

Professor Jones-Lee complains that I criticise his methods without hinting at an alternative. I am surprised a hint is needed. In these matters he is the radical, not me. Decisions involving life and death are being made constantly, yet only the Department of Transport, I believe, has used a price for life in making them.

They are normally made, like other hard decisions, by a political process. My alternative is to continue in that way and try to improve the process. When the questions are ones that have no unique right answer, as I believe these are, it is the process we must concentrate on, not its conclusion. Above all, we need to keep vividly in the decision-makers' imaginations just what they are deciding about: people's lives. If they come to think they have a neat and correct way to reduce lives to money and lump them in with other goods, then they will be hiding from themselves the real difficulty of their responsibilities.

(Dr) John Broome
University of Bristol
Alfred Marshall Building
40 Berkeley Square, Bristol

From Mr G. Hockley

Sir,—Dr Broome in an article "The price of life" August 17, argues that "we cannot accept an economist's valuation of life."

The article correctly identifies the problem: decisions are made every day that have implications for human life but then misses the point. In an important sense, it simply does not matter what positive value is put on human life.

The problem again correctly identified is put as "allocating scarce resources." In order to do this it is more likely that a better allocation of resources will be achieved if a necessary arbitrary but consistent figure is used in decision-making.

An example may make this point clear. It seems that the value of human life was implicitly put at more than £20m as a result of certain changes made in building structures and regulations following the Ronan Point disaster, whereas it was implicitly put as low as £50 in the case of a pregnancy test which might prevent some stillbirths. If the object is to save human life, it seems that equal expenditures per life saved will achieve the most lives saved.

By looking at the implicit values put on human life by social decision, the economist can hope to point the way to better decision-making. No economist that I know claims to have solved the imponderables mentioned by Dr Broome or to claim that decisions should be based simply on the values he calculates. He has a valuable function to perform in pointing out that past decisions have not achieved the most savings in lives and in helping to obtain better decisions in the future.

G. C. Hockley.
University College, PO Box 78, Cardiff.

The economy in Iraq

From the Press Counsellor, Embassy of the Republic of Iraq

Sir,—Referring to Mr Patrick Cockburn's article of August 24, I would like to clarify certain points which he may have overlooked.

No doubt the continuation of the war has caused some financial difficulties in Iraq, but they have not affected the internal economic conditions. The development projects which have stopped are those related to tourism and entertainment. In the present circumstances they naturally cannot be given the priority that projects which the state finds necessary have. What is said about halting the importation of certain materials is only in respect of luxury goods which can understandably be dispensed with while the war effort goes on.

Even before the war Iraq was attempting to rely on its own resources, replacing imported products by domestic ones wherever possible. Needless to say, self-sufficiency is the aspiration of all developing and even developed countries.

The donation of gold by Iraqi citizens has been misunderstood by foreign media. It has been one of the ways by which the Iraqi people express their contribution to the war, which aims solely at defending Iraq and its sovereignty. In addition to that, such donations reflect the capability of the country to remain steadfast and put up with difficulties until an honourable end to this war is reached sooner or later.

Saad Al Bazzaz.
177, Tottenham Court Road, W1.

Cash flow problems

From Mr H. Edwards

Sir,—I rush to support Mr Posner's views in your August 19 columns. It is almost inconceivable that in these days of tight asset control and the dilution of profits by interest costs, trading companies allow their banks the luxury of only a monthly statement. The in-house cash book is no guide to the true borrowing position because of the uncertainties of credit transfers, foreign receipts and cleared remittances. A good credit manager can almost "guarantee" his company's future cash, for spending, by planning the rate of intake from debtors then organising his resources to collect the planned amount, month after month, reliably and consistently. The basis for the planning stage must be the bank statement.

Exporting readers may also reveal how they check their statements to establish the delay periods between foreign remittance and receipt dates. Banks are now paying interest on admitted delays within the banking system.

H. Edwards.
65, Park Avenue, Hoddesdon, Herts.

That frisky statistic

From Mr A. Montague Browne.

Sir,—Mr Sultan (August 30) may be right in castigating those who give too much weight to the M1 statistic but he is less than fair in blaming the Federal Reserve. The Fed have quite frequently advised against attaching too much importance to what one of them resignedly styled "that frisky statistic" and the authorities have openly and visibly laid emphasis on different Ms in different circumstances. If any one is to blame it is the market participants who, seeking to be a jump ahead in the game, over-react to each Friday's M1 figure, punting on the longer term reaction of the Federal Open Market Committee. But such is market psychology and it is difficult to cure. An answer might be to publish M1 monthly or quarterly instead of every week.

Anthony Montague Browne,
11 St James's Place, SW1.

British Rail's next chairman

From the Chairman, Railway Conversion League

Sir,—In his letter (August 26) regarding delay in the appointment of a new chairman for British Rail Mr L. Irvine-Brown states that the Railway Conversion League is "discredited." Far from this being the case, our ideas are now generally accepted as being right and many senior former railwaymen agree with us. Sir Peter Parker has initiated a study to decide which routes should be converted first. The delay may be caused by the need to appoint one who will implement new policies.

Angus Dalgleish.
Shouson Hill, Ruxbury Road, Chertsey.

Unvarying strength

From Mr G. Christie

Sir, — Mr J. D. F. Jones is wrong in his article (August 26) in asserting that the Scotch whisky industry has "souped-up" the product.

The vast majority of Scotch whisky has always been shipped in bottle at 43°GL or 75° British proof. It is only recently that in some European markets the strength has been reduced to 40°GL, because of penal tax rates.

The strength of whisky shipped to South Africa has not varied in the past 50 years, and I believe the French Cognac industry is in a similar position.

G. P. Christie.
Speyside Distillery and Bonding Company,
35, Robertson Street, Glasgow.

FINANCIAL TIMES

Friday September 2 1983

PROJECTS WORTH UP TO $37M MAY SAVE THOUSANDS OF JOBS

North Sea activity set for upturn

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

THE NORTH SEA oil and gas industry is about to embark on a spate of developments which could involve a total investment of over *£25bn ($37.4m).*

Offshore operators in the UK and Norway plan the exploitation of more than a dozen significant oil and gas discoveries which could be brought on stream by 1990. In addition, companies have told government officials they want to tap a number of small gas reservoirs and expand production facilities in several oilfields.

The development work is likely to save the jobs of thousands of offshore workers. It is estimated that some 150,000 in Norway and the UK are involved in supplying equipment and services to the North Sea oil industry. Many of these jobs, especially in the construction sector, are now threatened as a result of the decline in development orders in recent years.

Mr John D'Ancona, director general of the Offshore Supplies Office – the UK Government agency responsible for promoting the supplies industry – said: "A recovery in activity will help to protect the industry and may, in the longer term, enable it to modestly expand employment.

"The industry should also be able to take advantage of the high level of activity to launch a major export drive."

The London stockbroking firm Wood, Mackenzie – one of the leading analysts of North Sea activity – says the atmosphere for development is now changing. "The signs for the future are increasingly encouraging," it says in its latest North Sea report published today.

Oil companies were pleased with the new tax incentives introduced by the UK Government and with the pricing stability that had returned to the oil market. Governments, in turn, were keen to encourage new developments in order to arrest declining production in the late 1980s and 1990s and to maintain employment and expertise in the supply industries.

Wood, Mackenzie has identified 13 *significant oil and gas fields for* which development plans could be formulated within the next 18 months to two years. Total investment on these fields was expected to be in the range of $38.4bn to $39bn. This compares with the $110bn so far spent or committed by companies in the UK and Norwegian sectors of the North Sea.

Investment during the next decade could be even higher. It is known that companies are planning incremental investment in existing *fields – such as British Petroleum's* big Forties field, Phillips Petroleum's important Norwegian Ekofisk complex and Marathon's Brae discovery.

The industry is also preparing to exploit new gas fields in the southern sector of the North Sea now that British Gas Corporation has agreed to pay much higher prices for supplies than negotiated in the past.

But the level of spending in these fields will be modest when compared with the investment needed to exploit some of the 13 projects identified by Wood, Mackenzie. For instance, the brokers estimate that $13bn will be needed to bring on stream the Sleipner oil and gas field in Norway. British Gas Corporation is currently competing with Continental European gas interests for the 6,500bn cubic feet of recoverable *gas reserves in Sleipner* which are owned by Statoil Exxon and Norsk Hydro.

Development opportunities seen in the UK sector include Shell/Esso's *Tern field – possibly costing* more than $1.5bn – and the Eider field, costing perhaps $1.2bn to $1.3bn.

Many of the projects are likely to involve the installation of small steel platforms, floating production units or underwater production systems. However, it is possible that the world's largest platform will be needed to exploit the giant Troll gas field in Norway.

The first development stage for Troll is expected to cost $8bn but, given the complexity of the project and deep water, it could be the mid-1990s before the first production is achieved. Licensees in Troll are Statoil, the Norwegian state oil corporation, Shell, Conoco, Norsk Hydro and Superior Oil.

The European gas industry will benefit most from the envisaged developments. The amount of gas reserves in the 13 fields is thought to total almost 30,000bn cubic feet – almost twice the amount of gas produced from UK fields so far.

On the other hand, the 13 fields are thought to contain recoverable oil reserves of only 2.2bn to 2.4bn barrels – the equivalent of less than three years of UK production at current rates (2.3m barrels a day).

Superior oil buys back Mesa's 3% stake

By William Hall in New York

MESA PETROLEUM, the independent Texas oil company headed by Mr Boone Pickens, has sold its 3 per cent stake in Superior Oil, the biggest independent oil and gas producer in the U.S., and made a profit of $32m on the deal.

Superior Oil, widely regarded as a prime takeover candidate in the *U.S. oil industry, yesterday bought* back 3.98m shares owned by Mesa for $42 per share, in cash. Before the announcement, Superior Oil shares had been trading at $38⅝.

Mesa agreed yesterday that for a period of seven years it would not purchase any shares of Superior or otherwise seek to influence the affairs of Superior provided that Superior did not take any such action with respect to Mesa.

Superior Oil has been surrounded by takeover speculation for several months. In May an attempt by the management to insulate itself from takeovers was defeated after a bitter family feud between Mrs Willametta Keck Day, daughter of Superior Oil's founder, and her brother Mr Howard Keck, a director and former chairman of the company. Mr Keck fiercely opposed a proposal by his sister that would make the company more attractive to outside takeovers. The proposal was carried.

Mesa began building up a stake in Superior earlier this year. It said *yesterday that the average cost of* its shares was $34.

Mesa's profit on its Superior Oil shares is only the latest in a series of astute investments in the oil industry. It has made takeover bids for Cities Service and General American Oil over the last 12 months. Although Mesa was outbid by rival oil companies in both cases, it made handsome profits on its share trading. In the case of Cities Service, it made $31.5m and with General American it made $42.4m.

THE LEX COLUMN

BP rolls out the auction barrel

Among the worries surrounding BP this time last year was that it would be forced to cut its dividend. The turnround in the company's fortunes is underlined with yesterday's 12 per cent rise in the interim payout. Cash has now come firmly under control, with BP showing a willingness to bring partners into expensive projects. So upstream capital expenditure has been reduced after the acceleration last year and is likely to remain under control.

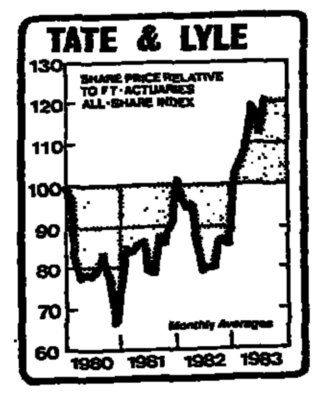
Furthermore, a reduction of 2m tonnes in oil stocks over the last six months has been an important contributor to a £593m reduction in *working capital.* The net cash inflow in the period emerges at £254m.

The resulting interest saving in the second quarter is £45m compared with a year earlier. But the turnround in downstream oil trading is a more important factor in the healthier look to the results in ten April–June period. In historic cost terms, net income has risen from £74m in the first quarter to £219m in the second. That improvement is flattered by a reduction in the cost of sales adjustment, BP accountants' approximation to a stock loss, from £149m to £88m.

At the same time, the mysteriously large – and still unquantified – currency losses of the first quarter have been eliminated. So on a re*placement cost basis oil trading is* showing an operating profit of £123m. In small part, that reflects the benefits of cheapish North Sea *oil supplies in the period,* but in the main the figure displays in less distorted form the better underlying performance of this division over the last three quarters.

The outcome for the year may be somewhere above £800m net, or near to £1bn – up more than a third – on a replacement cost basis. The prospective yield of about 7¼ per cent is still well above the market average. Against such a background, the share sale is likely to be sooner rather than later.

Tate & Lyle



It is hard to fault the timing of Tate's £42m rights issue. The new management has gained an enviable following in the City of London, and yesterday it was in a position to bring out an unexpectedly high profit forecast, of £55m pre-tax, at a moment when Tate's share price – almost doubled this year – stood close to its all-time peak.

Tate's management has done a lot in the past couple of years to *shake off the disaster-prone image* which settled on the company after its last rights issue and takeover package in the mid-1970s. Tate has turned the corner in sugar refining *in the UK and the U.S.,* and left behind its loss-making and expensively acquired starch operations. At the same time, the shrinkage of the group has *allowed it to become* cash-generating, with debt at a perfectly sustainable level.

So the issue is a test of the market's willingness to give Tate's new regime the chance to do better at conglomerate expansion than its predecessors could. Indeed, the sort of takeover *Tate is now thinking* about could be on such a scale – up to £100m – as inevitably to change the whole shape of the business.

However, *the pitching of the is*sue at 310p, only a little more than 13 per cent off the pre-rights price, indicates confidence that it will be well *received* (sweetened by the promise of inclusion in an increased final dividend next April. A closing price of 356p, only 2p lower, suggests that the calculation was on the nail.

Cadbury Schweppes

Five years of heavy borrowing and painstaking plant rationalisation have rather tested the faith of Cadbury Schweppes' shareholders. They had to be content with a relatively lack-lustre share price performance through much of 1982 and *appear to have succumbed* since late last year to a bad attack of nerves about the value of the whole exercise, faced with signs of a fresh decline in UK profitability.

Yesterday, the shares droped another 3p to 102p – down from a 1982-83 high of 132p – after Cadbury an*nounced interim pre-tax profits of* £33.5m against £30.7m. At first sight, that might seem a less than charitable response.

The latest figures, after all, show that the erosion of UK profitability has been reversed in 1983, all the recent acquisitions appear to have been taken on board successfully and the group has continued to make good progress outside Europe – *particularly in the U.S., where its* volume sales have far outstripped the general market's growth.

But the group's mounting debt *still casts a long shadow.* Cadbury's treasury has been working overtime to minimise the damage to the income account – up from £7m to £11.6m in the latest half year – and borrowings should peak at a lower level than expected this year as the lead time on new UK projects has shrunk from two years to 18 months.

None the less, with capital spending this year set to exceed 1982's £104m, *gains in profitability are going to have to come thicker and faster* in the second half for the market to start anticipating prospects for 1984.

Lloyd's

The Lloyd's insurance market is *moving slowly into the twentieth* century. Another step was taken yesterday with the publication of the accounts for the whole of the *market's underwriting operations.* Until now these figures, presented annually, have been about as comprehensible as hieroglyphics with*out the Rosetta stone.* But, guided by the Department of Trade and Industry, Lloyd's has prepared a recognisable set of accounts.

The accounts carry an auditors' report on the statement of security underlying policies issued at Lloyd's. That statement, say the auditors, presents "fairly" the information set out. No attempt has been made by the auditors to apply "true and fair" criteria used else*where in British corporate accoun*ting. Using that approach for assessment of a Lloyd's policy would be difficult indeed. Around 40 per cent of the assets of the private membership of Lloyd's, which pledges the entirety of its wealth to allow the market to function, is held *in property.*

No revaluation has ever been carried out of the membership's property assets, and it is only recently that a system has been introduced to review parts of the membership on a rotation basis to ensure that they still have enough wealth to belong *to Lloyd's.* Meanwhile, the statement of security is a rough-and-ready document which says that the total resources of the members are "in excess of £7bn."

Bordeaux wine lot trading launched

Continued from Page 1

Margaux, Chateau Figeac, Chateau Rieussec, Chateau Beychevelle and Chateau Lynch-Bages. In a tactful gesture to the former owners of the nationalised bank, however, the noble Chateau *Lafite-Rothschild is* not on the list.

M Benoit Marcilhacy, manager of Laffitte Investissement – which is *named after the street in Paris* where L'Européenne has its headquarters and not after the Rothschild chateau – said the company *would also offer its services to re*sell the lots or part of the lots at the end of the five-year period.

"We are even thinking of auctioning off some of the cases at Christies or Sotheby's in London or New York," he said. M Marcilhacy is a former director of the Bordeaux branch of the former Banque Rothschild.

Partner in the wine venture with the bank is M Bruno Prats, owner of several chateau wines, president of the Medoc Crus classés wine syndicate, and secretary general of the Grands Crus de Bordeaux union.

M Prats, an old hand in the Bordeaux wine business, has been responsible for buying the wines and will look after their storage. The bank, for its part, conceived the original idea and is assuming the fi*nancial risks of the venture.*

But M Marcilhacy appears confident that the risks are slender. "We bought the wines at a good price be*fore the prices of the 1982 harvest* hit the ceiling in late June and July this year," he said.

Prices surged then because of *heavy buying* from U.S. *importers* coupled with the impact of the strong dollar against the French franc.

The *venture* appears to be helping morale at the former Rothschild bank. Since nationalisation, the bank has been going through a difficult period of restructuring

Indesit plans major cuts in workforce

BY JAMES BUXTON IN ROME

INDESIT, Italy's second biggest manufacturer of white goods – domestic electrical products – has told the trade unions that it plans to dispense with nearly *half* its workforce.

It wants to put 3,400 of the 8,000 workers on permanent, state-sub*sidized lay-off* by the end of *1984.* This means that the workers will have no chance of going back into the factory and will consitute only a *small financial burden on the com*pany.

Indesit has told the unions that it intends doing this in the white *goods sector in order to consolidate* the modest recovery the company has made since it came close to bankruptcy in 1980. The move also *reflects some rationalisation of pro*duction and the introduction of increased automation.

An Indesit spokesman in Turin *yesterday stressed* that the move did not reflect any recent decline in Indesit sales, but he explained that there was no prospect of a return to former production volumes. In 1979 Indesit produced about 2m pieces, while current production is about 1.5m.

At the moment the lay-offs work on a rotation system. Permanent lay-off for nearly half the labour force will be cheaper, and more efficient from Indesit's point of view. Italian companies often use the lay-off system as a way of avoiding outright sackings.

Indesit returned to profit in 1981 and last year made a small profit of L588m ($365,000) on sales of *L272bn. Some 65 per cent of sales* were abroad, and Indesit's market share rose on the main foreign markets in the early months of 1983.

Indesit's smaller brown goods sector, making electronic products including television tubes, should soon revive with the creation of two *joint ventures* with Zanussi, Italy's major white goods maker, and a state-funded concern, Rel.

Swedish bank tightens UK link

By Kevin Done in Stockholm

SKANDINAVISKA Enskilda Banken, Sweden's leading bank, is to *strengthen its position in the Lon*don-based Scandinavian Bank following the decision by the consortium bank's two Danish sharehol*ders to withdraw.*

The sale by Den Danske Bank and Den Danske Provinsbank of their 19 per cent shareholding in *Scandinavian Bank for £22.5m is a* further sign of the Nordic banks' growing ambitions to strike out alone in foreign markets rather *than pooling their resources in con*sortium banks.

Last week the Danish, Swedish and Finnish partners in the Nordic Bank – the other dominant Nordic-owned consortium bank in London – announced that they were planning to sell their shareholdings to Den norske Creditbank (DnC), Norway's largest commercial bank, in a deal worth £67m ($100m).

Following the withdrawal by the two Danish banks from Scandinavian Bank, the other Nordic shareholders will increase their stakes in proportion to their existing holdings.

Skandinaviska Enskilda Banken (S-E Banken) is increasing its shareholding to 45.7 per cent – it previously held 37 per cent – while *Skånska Banken, a Swedish region*al based in Malmö, will hold 4.1 per cent; Bergen Bank of Norway will hold 23.6 per cent; Union Bank of Finland 23.6 per cent; and Iceland's Landsbanki 3.0 per cent.

Den Danske Bank, which hitherto held 14.3 per cent of Scandinavian Bank, opened its own branch in London last December.

Mr Tage Andersen, its chief executive, said yesterday: "The trend is towards a break-up of London consortium *banks,* as the parent banks feel that they can do much of the business themselves. We felt it was to our own advantage to stand *on our own feet.*"

Mr Curt Olsson, deputy chairman of S-E Banken, said the remaining partners in Scandinavian Bank intended to retain their holdings and develop their relations in the bank despite the fact that some had also established other institutions in London.

Last year S-E Banken set up its own London-based investment banking operation, Enskilda Securities.

With just under 46 per cent, S-E Banken is now unchallenged as the largest single shareholder in Scandinavian Bank.

Celulosa Argentina verdict stirs appeal

BY JIMMY BURNS IN BUENOS AIRES

FOREIGN CREDITORS of Celulosa Argentina said yesterday that they would appeal to the country's Supreme Court in an attempt to revoke a local court decision excluding them from a refinancing plan for the ailing private-sector paper manufacturer.

Celulosa, one of Argentina's leading companies, has total debts of about *$300m,* of which *$100m is* owed abroad, mostly to Canadian, British, Swiss and U.S. banks.

On Wednesday, a creditors' meet*ing to resolve the affairs of the com*pany was postponed until September 16, after a local judge had invoked Argentina's controversial bankruptcy law, which discriminates against foreign creditors. The move came in spite of an earlier warning from leading U.S banks that the law could severely complicate Argentina's $39bn foreign debt renegotiation.

According to local banking sources, foreign credits will be made subordinate to local ones in the rescue package, which contemplates a restructuring of Celulosa's debt over a ten-year period, wiith two years' grace.

The plan contemplates an early repayment of debts owed to all creditors if Celulosa makes a swift return to profitability. But some foreign bankers fear that in practice they could wait up to 12 years before they begin to recover their debt.

Disbursement of a $1.5bn international commercial credit due to Argentina is not legaly conditional on an amendment to Argentina's bankruptcy law. But foreign banks have indicated that they were hoping for a measure of goodwill from the Argentine authorities and that they might look at ways of delaying payments in retaliation if the Celulosa problem were not *satisfactorily* resolved.

Yesterday, banking sources said that the Supreme Court could take *several months before reaching* a final decision, but that they had not totally discounted the prospect of an early out-of-court settlement, possibly with the intervention of the Economy Ministry.

Some foreign bankers look on Celulosa as a test case and have given warnings that commercial credit to Argentina might virtually halt if overseas suppliers cannot be guaranteed early repayment by a company subject to court intervention due to financial difficulties.

Wednesday's court decision folhwos the collapse last week of an out-of-court rescue package drawn up by the majority of foreign creditors. The deal is understood to have fallen through mainly because a Brazilian creditor refused to support it, and because the Santa Fe provincial government overseeing the Celulosa case had insisted on imposing a 3 per cent levy.

Peronist disarray, Page 4

Soviet fighter 'shoots down S. Korean 747'

Continued from Page 1

negotiators in the arms control talks," said Senator Howard Metzenbaum, an Ohio Democrat.

Mr Shultz said that he still expected to meet Mr Andrei Gromyko, the *Soviet Foreign Minister,* in Madrid next week, but that the U.S. expected a full explanation from Moscow by then.

There was a widespread *feeling* in Washington that the incident could only bolster Mr Reagan's hardline approach to the Soviet *Union, which he recently described* as an "evil empire."

One official said he expected the impact of the incident to be as serious as the Soviet Union's 1979 invasion of Afghanistan.

U.S. officials said that all aircraft flying in the area were warned on navigational maps that they were liable to be shot at if they entered Soviet air space. But there was no immediate explanation as to why the Korean airliner had apparently strayed so far off course.

A Pentagon official said that the Soviet Union operated its own rules permitting their fighters to shoot at aircraft intruding into their territory.

David Buchan and Anthony Robinson write from London: Sakhalin Island lies at the heart of one of the most militarily sensitive regions of the Soviet Union.

The Soviet Far East stretches north from Vladivostok, over the Sea of Okhotsk, to the Kamchatka peninsula, is home to the greatest concentration of Soviet naval *might, strategic air bases and a top* secret nuclear missiles testing zone.

In the past 18 months the Soviet Union has stepped up naval and air exercises in the Sea of Okhotsk, because of its claims that U.S. long-range *missile-firing submarines* have penetrated this sea through the Kurile island chain, some of which is claimed by Japan as its *rightful territory.*

Soviet commanders have sought to assert dominance in the Sea of Okhotsk as a sanctuary for its own growing fleet of ballistic missile-firing submarines and as a base for operations further afield in the Pacific. The Sea of Okhotsk, in which Sakhalin lies, is semi-enclosed by Soviet territory, and U.S. submarines there could threaten a wide swathe of Siberia and deployment *of the Soviet Pacific fleet.*

This increases the vulnerability of the Soviet Pacific fleet, which includes more than 100 ballistic missile and attack submarines, 85 major warships, the largest Soviet contingent of naval infantry and more than 300 combat aircraft, some of which were evidently in action yesterday.

Menacing as the build-up of this Soviet fleet looks to Western eyes, its effectiveness is limited by the fact that ships from Vladivostok, the main Soviet base, can only reach the Pacific through narrow straits controlled by the U.S. and Japan. To mitigate this, the Soviets have built the new base of Petropavlovsk, which, however, is ice*bound six months of the year.*

Mexico repays $60m

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO will pay a further $60m of private sector interest arrears next week. This will bring the amount paid back to 45 per cent of the total $800m in arrears, which were incurred in the immediate aftermath of last year's debt crisis.

Sr Angel Gurria, the director of public credit, said that the better-than-expected progress in Mexico's current account balance of payments, which was in surplus of about $2.5bn during the first half of the year, meant that it might now not be necessary to refinance the unpaid arrears in the form of a "roll-up loan," as had been previously planned.

Sr Gurria said that, if there was no sudden increase in the present low level of imports and Mexico's other immediate debt repayments were not too much of a strain on the country's international reserves, then refinancing unpaid arrears would not be necessary.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	28	82	Dubrovnik	F	26	79	Malaga	S	26	79	Salzburg	F	26	79
Akrotiri	S	30	86	Faro	S	23	73	Malta	S	29	84	Seoul	S	32	90
Algiers	S	29	84	Florence	S	30	86	Manila	C	32	90	Singapore	R	30	86
Amsterdam	R	20	68	Frankfurt	C	23	73	Miami	C	31	88	Stockholm	S	22	72
Athens	S	28	82	Funchal	S	24	75	Milan	F	26	79	Strasbourg	F	27	81
Bahrain	S	26	79	Geneva	R	20	68	Moscow	S	20	68	Sydney	S	23	73
Bangkok	R	27	81	Gibraltar	F	25	77	Munich	S	25	77	Taipei	C	33	91
Barcelona	F	28	82	Guernsey	S	17	63	Nairobi	–	–	–	Tangier	F	23	73
Beirut	–	–	–	Helsinki	S	18	64	Naples	S	29	84	Tehran	–	–	–
Belgrade	S	27	81	H. Kong	S	32	90	New Delhi	R	34	93	Tel Aviv	S	30	86
Berlin	S	28	82	Innsbruck	S	25	77	New York	S	26	79	Tenerife	–	–	–
Biarritz	R	20	68	Inverness	F	18	64	Nice	S	27	81	Tokyo	R	29	84
Blackpool	C	17	63	Istanbul	–	–	–	Oporto	Fg	19	66	Toronto	S	26	79
Bordeaux	F	22	72	Jersey	C	17	63	Oslo	S	20	68	Tunis	S	31	88
Brussels	R	24	75	Jo'burg	S	22	72	Paris	C	22	72	Valencia	F	28	82
Budapest	–	–	–	Las Palmas	S	25	77	Prague	F	28	82	Venice	S	27	81
B. Aires	R	15	59	Lima	C	21	70	Reykjavik	F	8	46	Vienna	S	27	81
Cairo	S	33	91	Lisbon	C	23	73	Rio de J'o	S	37	99	Warsaw	S	26	79
Cape Town	–	–	–	Locarno	C	21	70	Rome	C	28	82	Zurich	S	24	75
Caracas	C	28	82	London	C	20	68								
Casablanca	F	24	75	Los Angeles	C	33	91								
Copenhagen	S	26	79	Luxembourg	–	–	–								
Corfu	S	29	84	Madrid	S	23	73								
Dublin	F	18	64	Majorca	C	26	79								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday September 2 1983

Fresh bid made for Singapore company

By Chris Sherwell in Singapore

A SINGAPORE investment holding company headed by Dennis Lee Kim Yew, brother of Prime Minister Lee Kuan Yew, yesterday announced a fresh bid to take over publicly-quoted United Industrial Corporation (UIC), which Lee Kim Yew himself chairs.

UIC shares were suspended in Singapore and Kuala Lumpur pending formal announcement of terms of the offer.

UIC, a holding and management company with a 40-storey building in the heart of Singapore's financial district, was the subject of a competitive takeover bid in 1980 from three parties – one of them Lee Kim Yew's Tang Eng Pte.

None of these proved successful, but yesterday Tang Eng confirmed that it and "parties acting in concert with it" owned 26.5m shares, representing about 37 per cent of UIC's present issued share capital.

This followed an announcement on Wednesday that Ooi Hong Leong, UIC's managing director, had purchased 12.3m shares in UIC through Chip Lian Investments, in which he has an interest.

These shares were purchased at 1.15 per-share cum rights. Tang Eng's cash offer for the whole of the remaining share capital of UIC would, on this basis, make the bid worth about S$82m (U.S.$38m).

Tiger railcar subsidiary sued by Belgian bank

BY PAUL TAYLOR IN NEW YORK

SOCIÈTÈ GÈNÈRALE de Banque, the Belgian banking group, is sueing North American Car, the railcar leasing subsidiary of Tiger International.

The financially troubled transport group which is based in Los Angeles, recently agreed to sell a large part of its railcar leasing business for $140m to General Electric.

The Belgian bank said North American Car had been in default since February on two loans totalling $35m. Société Générale is seeking payment of the principal and $246,000 in interest in a court action filed in a federal court in Chicago.

North American Car leases a fleet of 44,000 railcars out of its Chicago headquarters to shippers and railroads. Last month Tiger International agreed to sell most of the unit to General Electric Credit as part of a restructuring and debt reduction programme.

Tiger International, which recently reported a net loss from continuing operations of $50.5m in the second quarter and $101.3m for the half year, also recently agreed on a financial reconstruction package with its lenders. The package was designed to bring a substantial increase in Tiger's outstanding equity and stretch the period of the company's debt payments.

It was not clear yesterday whether Société Générale's court action would affect the restructuring plan, which was announced in June after months of negotiation.

Cheung Kong's profit tumbles

BY ROBERT COTTRELL IN HONG KONG

THE COLLAPSE of Hong Kong's property market has slashed earnings at Cheung Kong (Holdings), one of the territory's largest quoted companies. Net profits for the six months to June 30 total HK$151.1m ($20m), in addition to which the property developer made extraordinary gains of HK$8.6m, for an attributable total of HK$159.7m. In the first half of 1982, Cheung Kong showed attributable profits of HK$559.2m, including extraordinary gains of HK$54.5m.

The interim dividend is cut from 22 cents to 15 cents. Cheung Kong's chairman, Mr Li Ka-Shing, said dividends for the full year will total 45 cents, down from the 70 cents in 1982. Mr Li also says net profits for the full year will be at least HK$400m, against HK$525m.

Cheung Kong's depressed results are much in line with the outlook forecast last year-end by Mr Li, who told shareholders to prepare for lower profits and dividends. Mr Li pointed out that Cheung Kong remains financially sound. One of the most aggressive developers of the 1970s, the group began reducing its commitments as the local property market began to weaken in late 1981. Mr Li says Hong Kong's property market may now be bottoming out, but remains weak. The group's priority is to pay off borrowings to reduce interest charges, while at the same time credit facilities have been arranged "so that large loans can be made at short notice for selective new investments as the opportunities arise," says Mr Li. Cheung Kong's year-end 1982 balance sheet showed borrowings of HK$1.3bn and shareholders' funds of HK$4.7bn.

An important contributor to Cheung Kong's profits is the largest associate, Hutchison Whampoa, which also reported interim results yesterday.

Hutchison's net profits for the half totalled HK$434m, with extraordinary gains of HK$67m, making an attributable total of HK$501m. In the first half of 1982, Hutchison reported attributable profits of HK$510m including extraordinary gains of HK$20m.

Earnings rise for Dutch insurers

By Our Amsterdam Correspondent

TWO MORE Dutch insurers produced sound first half figures yesterday, confirming the upward trend already reported for Nationale Nederlanden and AGO. Amev, the second-largest Dutch group, saw its net profit rise by 8.7 per cent, aided by a strong performance in the life sector, especially in the U.S. Ennia, the number three insurer, moved ahead by 7 per cent.

Gross profit at Amev, including profits from sales on investments, rose from Fl 112m ($37m) to Fl 119m. No amount was set aside for provisions, but a further assessment is likely before the end of the year. The net result was up from Fl 84m to Fl 91m.

Total income from the life sector for the six months was Fl 1.49bn – a rise of nearly 13 per cent – while non-life income went up by 18 per cent to Fl 745m.

Amev notes that life business, especially in America, showed a strong increase in the second quarter. There was some early rise in costs attributable to an increase in new business, but this was more than compensated for by high investment income in the Netherlands and a low increase in expenses compared with the development of revenue as a whole.

In the non-life sector, results from the U.S. picked up from April onwards due to the decline in the medical expenses portfolio which normally follows the winter months. Earnings were down by nearly 70 per cent, however, to a total of Fl 20.5m.

Foreign exchange fluctuations had, on balance, little effect on this year's first half, which was influenced heavily by an increased number of single payment premiums in the Dutch life sector as well as by the growth in America. Amev looks ahead to earnings for 1983 as a whole of around Fl 187m

U.S. ALUMINIUM INDUSTRY'S BRIGHTER FUTURE

Producers foil recession

BY TERRY DODSWORTH IN NEW YORK

IF ANY FURTHER sign of returning confidence in the North American aluminium industry were needed, it came last week in two announcements. Alcan, the Canadian-based multinational, said that it was aiming to raise about U.S.$260m in a new equity placing and Alcoa and Kaiser, two of the big three U.S. companies, increased their ingot prices by 6.5 per cent to 81.5 cents a pound – the first rise in the list price since 1980.

Even more important than the bare numbers of the price rise is the fact that it is expected to stick. At the end of last year, when the aluminium producers were advertising posted prices of 76.5 cents a pound, they were actually selling at huge discounts. At one point, the real contract price plummeted to around 40 cents a pound, and while there is a significant lag between any posted increase and its actual realisation, analysts expect manufacturers to be pulling in the full 81.5 cents for deliveries within a few months.

Behind the price increase lies a steady hardening of demand since the beginning of the year, helped both by a savage reduction in producer stocks and the upswing in consumer durable industries. The aluminium producers were hurt very badly last year, mainly because they failed to spot the recessionary warning signals that should have been flashing in every marketing department. But when they responded, they cut straight into muscle, leaving room to rebuild stocks now.

As a result, output is now recovering very speedily. In July, it passed a milestone of a kind, moving ahead of the comparable monthly production rate in 1982 for the first time this year. Production bottomed in February at 245,601 tons, since when it has increased by 27 per cent to 312,911 tons, at which rate output this year would be slightly ahead of the previous 12 months. No-one expects any immediate hiccup in this rising graph. Indeed, Aluminium Company of America – Alcoa – claims that its own stocks are at the lowest level ever and that it is now operating at around 91 per cent capacity.

There is a world of difference between Alcoa, which operates with lowish power costs, or Alcan, which has ultra-low rates, and the North American industry's other two main producers, Kaiser and Reynolds. Both Kaiser and Reynolds have considerably higher costs – Alcoa's power costs are calculated to be only around 5 cents a pound, against an average of 18 cents for the U.S. industry as a whole – and this is reflected in its current output levels, reckoned to be still around 50 per cent of capacity. But even the high-cost producers should now be benefiting from the recovery.

In addition, the producers have been trimming costs. Base wage rates in the last Alcoa settlement, for example, were effectively frozen, with a cost of living increase clause which is likely to generate wage and benefit increases of less than the inflation rate. Some basic smelting has also been axed in the U.S. as the manufacturers turn towards higher quality products and leave more of the commodity-type ingot production business to lower cost areas in the developing world.

All this has been well anticipated by Wall Street – indeed, too well for some less bullish analysts. Aluminium shares began to move with the rest of the market a year ago, but they have comfortably outperformed the Standard and Poor's 500 since then, and have been particularly strong since the beginning of the year. Alcan, for example, now trading at around $39, slipped to a little less than half that only a year ago: Alcoa, has come up by almost the same amount to its present price of around $47.

Longer term questions, however, are still injecting caution into some forecasts for the industry, particularly for the higher cost U.S producers. Whatever the benefits from the present cyclical recovery in the economy, there must be doubts about the industry's ability to get back to the rapid growth rates of the 1960s. Basic aluminium smelting is more and more perceived as virtually a commodity industry, with plenty of capacity, often supported by government funds in the developing world, leading to dizzy commodity-type price variations. In this game, the low cost producers have an even more advantageous position – it is significant, for instance, that Alcan is planning to go ahead with a new smelter in Quebec, as well as a smelting complex in Australia and a rolling mill in Brazil.

Plan to refloat Aluminio Espanol

BY DAVID WHITE IN MADRID

ALUGASA, the Spanish subsidiary of the nationalised French aluminium giant Pechiney Ugine Kuhlmann, is set to come under Spanish state control, according to a plan drawn up for refloating the largest Spanish producer, Aluminio Espanol, in which the Pechiney unit is a partner.

The plan, aimed at lifting the temporary receivership which Aluminio Espanol has been under for almost a year, is understood to include a Pta 5bn ($33m) capital increase at Alugasa, which would be mainly subscribed by the state holding company Instituto Nacional de Industria (INI).

This would leave INI holding just under 51 per cent of Alugasa, with Pechiney's stake being reduced from two thirds to about 37 per cent.

INI would also pump in the bulk of a Pta 8.5bn capital increase at Endasa, the majority shareholder in Aluminio Espanol. INI controls this company in partnership with Alcan of Canada.

The new funds are to be passed on in the form of a Pta 15bn injection into Aluminio Espanol.

The proposed solution, which is expected to lead to a merger between Alugasa and Endasa, is due to be approved this month.

Wereldhave in new move to fight takeover

By Our Amsterdam Correspondent

WERELDHAVE, the Rotterdam-based property fund, has fired another salvo in its war of words with PGGM and PVM – the Dutch pension funds attempting to take it over – by claiming that a number of shares which existing holders may offer to the bidders would be worth more if retained.

A statement observes that since Wereldhave has just declared an interim dividend of Fl 4.25 ($1.4) per ordinary share up to and including shares bearing coupon number 26, payable on September 19, sellers of these shares for the bid price of Fl 155 would in fact be receiving only Fl 150.75.

The property fund, with a European and U.S portfolio worth more than Fl 1bn, has put back its extraordinary shareholders' meeting from September 14 to September 19.

Wereldhave confirmed yesterday that its investment result for the first six months of this year rose by 22 per cent, to Fl 18.3m.

Slavenburg's survives difficult six months

BY WALTER ELLIS IN AMSTERDAM

CREDIT LYONNAIS Bank Nederland, better known as Slavenburg's, survived another difficult six months to the end of June this year during which its balance sheet total fell by Fl 600m to Fl 10.9bn ($3.57bn).

Gross profit, at Fl. 24.6m, was 42 per cent down on the first half of last year and the ostensible net figure of Fl 14.5m was transferred in its entirety to the general provisions against debt.

Last year, Slavenburg's lost Fl 203m as an amount of Fl 260m was added to provisions to help cover against both loss and fraud. In February of this year, Dutch police raided the Rotterdam headquarters and two leading branches of the bank looking for evidence of the alleged widespread misuse of funds.

A total of 11 top past and present officials of the bank have been arrested, including most recently its former managing director, Mr Ruud Slavenburg, and all await trial once the public prosecutor's office has completed its case.

Since then, Credit Lyonnais of France, which owned 78 per cent of the shareholding, has intervened to rescue the bank from possible collapse. The new name, Credit Lyonnais Bank Nederland, took effect on July 1.

A statement yesterday from the renamed bank – sixth largest in the Netherlands – says that, with the support of its French parent, and in particular the addition this month of a promised Fl 205m in capital support, Credit Lyonnais Bank Nederland "looks forward with confidence" to a new phase in its development.

The decline this year in the balance sheet total is mainly accounted for by a Fl 850m drop in Eurocurrency activities transacted with foreign bankers. General banking activities produced an addition of Fl 250m to the total, and it can be considered that, with a return of confidence, the figure overall may improve in the course of this year.

Commission earnings rose 19 per cent, to Fl 47.8m, while income from interest fell by Fl 3.5m to Fl 97.1m. No dividend was declared

Heavy losses for Canadian aircraft makers

By Robert Gibbens in Montreal

CANADAIR and De Havilland Canada, Canada's two government-owned aircraft makers, continue to show heavy losses despite new infusions of equity. They say heavy development costs will prevent a return to profit for some time.

Montreal-based Canadair, maker of the Challenger executive jet, had a first-half loss of C$107m (U.S.$87m) against a loss of C$207m a year earlier, on sales down from C$230.3m to C$183.9m.

De Havilland Canada of Toronto posted a first-half loss of C$76.6m against profits of C$18.5m, on sales down sharply from C$290.7m to C$61.9m. The latest period includes a C$46m write-off on the Dash 8 Stol aircraft programme.

Hudson's Bay reduces loss

HUDSON'S BAY, Canada's biggest merchandising group, reports a final net loss of C$10.4m (U.S.$8.4m) for the first half of its current fiscal year, after a C$62m gain on the sale of investments.

The result compares with an operating net loss of C$122.7m for the same period last year. Sales increased from C$1.79bn to C$1.88bn. The group forecasts a better second half.

TBS shows big improvement

TURNER Broadcasting System (TBS), the U.S. television and cable news group, has reported a further substantial improvement in earnings.

Net earnings in its second quarter ending July 30 were $4.25m or 21 cents a share on revenues of $60.47m compared with a $987,000 loss on revenues of $42.05m in the same period last year.

Sentrachem sees 45% slump

SHARPLY lower domestic demand for fertilisers, poor synthetic rubber sales and generally weaker demand for chemicals have combined against South Africa's second largest chemicals group, Sentrachem.

For the year to end June, group turnover fell by 9 per cent to R700m ($625m) from R769m, while pre-tax profit dropped 45 per cent to R70.6m from R128.3m.

Nova Scotia bank has sharp gain

BANK of Nova Scotia, Canada's fourth largest chartered bank, reported a sharp rise in profits with third quarter earnings up from C$63.2m (U.S.$51m), or C$1.36 a share, to C$73.8m or C$1.57.

This took nine-month earnings for fiscal 1983 to C$260.6m, or C$5.55 a share, against C$193.3m or C$4.16. The bank attributed the rise to better domestic and foreign interest margins and growth in foreign assets. But total assets at July 31 fell 2.9 per cent from C$54.7bn a year earlier to C$53bn, due to generally weak credit demand.

Renault lifts holding in Karrier

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT IN LONDON

RENAULT of France has decided to increase its shareholdings in Karrier Motors, the UK company formerly known as Dodge Trucks, to 90 per cent by the end of this year.

This follows a reorganisation during the past two years which has put Karrier on course to break-even in 1984, says Mr Laurent Brisset, the company's chairman and managing director.

Renault paid its French rival Peugeot £7m ($10.4m) for a half-share in Karrier two years ago. Peugeot had acquired the business along with the rest of Chrysler's European operations in 1978.

Renault's commercial vehicle arm, RVI, took management control and, among other changes, Renault's commercial vehicle distribution company in Britain has been merged into Karrier's.

Karrier's net loss in 1981 was £11.4m after Peugeot had contributed a subvention of about £13m. The following year the net loss was £4m after a Peugeot subvention of around £10m.

Mr Brisset says he expects the net loss will be reduced still further this year and "we are well on the way to recovery and still on course to break even during 1984, even though we have been experiencing some of the worst market conditions for many years."

He also points to the substantial improvement in the results at trading level. A 1981 loss of £22.8m was reduced the following year to £16.7m and this year it should be around £7.9m.

Mr Brisset says the price Renault will pay for the extra 40 per cent of Karrier has still to be decided. Negotiations between Renault and Peugeot also cover the former Dodge business in Spain where Renault has a 50 per cent stake and will lift it to 90 per cent.

INTL. COMPANIES

Singapore's brokers spurn new Exchange

BY CHRISTOPHER SHERWELL, SOUTH-EAST ASIA CORRESPONDENT

SINGAPORE'S stockbrokers have handed down their considered verdict on the true strength of the city state's property market. They reckon it is weak, and will weaken further.

The thumbs down judgment came when they threw out a proposal from their own executive committeee to move from the present premises on the 16th floor of the Hong Leong building into a new block bearing the name Stock Exchange of *Singapore.*

Yesterday's decision, by 16 votes to five with four abstentions, was not only embarrassing for the committee. In the view of one broker, it was bearish for the stock market and real estate prices and would deeply bother the whole of the Singapore office industry.

It could also prove awkward for the Government. While the economy should grow at a healthy 7 per cent this year, the Government hopes to finance its huge Mass Rapid Transit project through the sale of prime land reclaimed from the sea adjacent to the financial district.

The proposal before the Stock Exchange's 25 member companies was that they should take the large basement floor of the building being developed by Malayan Credit Land at the junction of Keppel Road and Shenton Way. They had negotiated a price of S$1,000 (US$467) per square foot for an area of 46,000 square feet.

The members refused the purchase on all counts. The price, which had been negotiated down from S$1,200, was still higher than the S$900 placed on it by independent valuers. Singapore was already over-supplied with office space, and faces a continuing glut.

Faced with falling rents, the brokers argued, a long-term lease which amounted to a purchase made no sense. Moreover, the premium supposedly being paid for a double-storey basement and an own-name building should really have been a discount. Nobody wanted a basement, and the prestige name ought to have attracted additional tenants.

The clincher was the location itself. For the most potentially profitable property development taking place in Singapore's financial district was now occurring at the other end of Shenton Way, closer to the rapidly rising Raffles City. To get involved at the other extreme closer to the port was, quite simply, crazy, said brokers.

It is unclear what the next step will be. Malayan Credit may want to renegotiate, but will face tough opposition from the landlords of the Hong Leong building, who themselves may produce an alternative proposal. In any case the stock exchange faces no pressure to move.

The exchange committeee, for all its embarrassment, is not expected to resign. It could plausibly put on a brave face and say it has been rescued from a worse disaster.

One thing is clear, however. For now, Singapore's stockbrokers will not be trying to keep up with their rivals in Hong Kong, Kuala Lumpur and Bangkok by planning a move into posh new premises.

G. J. Coles lifts profits and revenues

By Michael Thompson-Noel in Sydney

G. J. COLES, Australia's biggest retailer and 12th biggest company, had a 19.8 per cent increase in net profit in the year to end July to A$82.4m (US$72.5m), on turnover up 17.2 per cent to A$4.7bn.

The retailer has declared a final dividend of 11.5 cents a share for a total of 18 cents a share, against 17 cents last year. The company indicated that a higher final dividend might have been paid but for the Government's current prices and incomes policy.

Second-half trading, said Mr Bevan Bradbury, the group's chairman, had been "exceptionally strong," given present economic conditions. *Interest charges rose from* A$14.9m to A$20.9m, but Mr Bradbury said a good portion of the A$82.7m raised in July by a rights and shares issue had been used to retire short-term debt.

In the latest full year, tax took A$73.3m, against A$60.3m previously and depreciation was A$37m.

● Brambles, the diversified transport and services group, saw a 6.9 per cent improvement in net profit in the year to July 30 to A$30.6m.

Final dividend is a steady *7.5 cents a share,* for a total of 15 cents a share against 14.5 cents previously.

Malaysian steel makers turn in better results

By Wong Sulong in Kuala Lumpur

TWO OF Malaysia's largest manufacturers of steel have turned in better results following stronger local demand and greater government protection *for the industry.*

Malayawata, the biggest of the country's seven steel manufacturers, reported an after-tax profit of 1.87m ringgit ($800,000) for the year ended June 1983 against a net loss of *840,000 ringgit previously.*

Earnings at Amalgamated Steel Mills were even better, rising by nearly 160 per cent to 18.6m ringgit, also for the year ended June, with turnover increasing 23 per cent to *152m ringgit.*

Weeks to launch rights issue

Melbourne—Weeks Petroleum is to make a one-for-five rights issue of 10 U.S. cent nominal shares at U.S.$1.72 each to holders of ordinary and preferred ordinary shares.

The issue, of 10.73m shares, will raise about U.S.$18.5m, half the funds required to complete acquisition of the Denver-based energy minerals company.

The new shares will rank equally with the existing and will qualify for the final dividend of five U.S. cents proposed for calendar 1983.
Reuter

North American quarterly results

AIR CANADA

Second quarter	1983 C$	1982 C$
Revenue	585.4m	574.5m
Net profits	10.3m	10.8m
Net per share	— —	— —
Six months		
Revenue	1.12bn	1.11bn
Net profits	8.8m†	16.2m†
Net per share	— —	— —

† Loss

AVNET

Fourth quarter	1982-83 $	1981-82 $
Revenue	326.1m	273.2m
Net profits	15.9m	13.3m
Net per share	0.45	0.39
Year		
Revenue	1.16bn	1.11bn
Net profits	50.4m	70.5m
Net per share	1.43	2.02

BOMBARDIER

Second quarter	1983 C$	1982 C$
Revenue	*91.5m*	119.6m
Net profits	991,000	688,000
Net per share	0.18	0.13
Six months		
Revenue	235.9m	209.8m
Net profits	3m	1.28m
Net per share	0.55	0.24

BROWN-FORMAN DISTILLERS

First quarter	1983-84 $	1982-83 $
Revenue	208m	209m
Net profits	19.5m	23.3m
Net per share	0.77	0.92

PERKIN-ELMER

Fourth quarter	1982-83 $	1981-82 $
Revenue	275.3m	269.9m
Net profits	16.5m	18.5m
Net per share	0.38	0.38
Year		
Revenue	1bn	1.04bn
Net profits	50.2m	62.7m
Net per share	1.15	1.45

J. P. STEVENS

Third quarter	1982-83 $	1981-82 $
Revenue	477.1m	423.7m
Net profits	5.5m	6.2m
Net per share	0.32	0.43
Nine months		
Revenue	1.37bn	1.33bn
Net profits	6.2m	13.4m
Net per share	0.36	0.93

TOYS "R" US

Second quarter	1983 $	1982 $
Revenue	213.9m	167.8m
Net profits	7.1m	4.4m
Net per share	0.12	0.08
Six months		
Revenue	395.7m	308.3m
Net profits	12.5m	6.9m
Net per share	0.22	0.13

TURBO RESOURCES

Second quarter	1983 $	1982 $
Revenue	— —	— —
Net profits	33.1m†	*38.7m†*
Net per share	— —	— —
Six months		
Revenue	289.4m	290.7m
Net profits	71.8m†	32.4m†
Net per share	2.98†	1.31†

† Loss

SEDCO

Year	1982-83 $	1981-82 $
Revenue	560.2m	522.6m
Net Profits	133.9m	200m
Net per share	5.04	8.53

SIMPSONS-SEARS

Second quarter	1983 $	1982 $
Revenue	791.6m	723.2m
Net profits	3.2m	3.8m†
Net per share	0.04	0.04†
Six months		
Revenue	1.49bn	1.51bn
Net profits	657,000	7.2m†
Net per share	0.01	0.09†

† Loss

FINANCIAL TIMES SURVEY
Friday September 2 1983

ISLE of MAN

Much hope is pinned on development as an offshore financial centre to offset declines in other sectors of the economy. The brisk response to last year's bank crisis is an earnest of the Island's commitment

Bank collapse acts as a spur

BY IAN HAMILTON FAZEY

WHEN the privately-owned Savings and Investment Bank collapsed in the summer of last year, the Isle of Man was shaken to its millennial roots.

The depth of shock is still apparent today, compounded by the fact that many of the people who lost their money are Island residents and very unhappy.

Since one of the island's outstanding features is an open system of government, with officers accessible to practically anyone, the SIB collapse was felt keenly by all. The net result of that, however, is likely to be enormously to the Isle of Man's long-term benefit.

For the Manx community is generally characterised by high moral values, a deeply-held sense of honour and a strong understanding of right and wrong. Some manifestations of these qualities—such as the corporal punishment of young offenders—do not always attract liberal approval, but their existence is probably the island's greatest asset as it now seeks to re-establish international confidence.

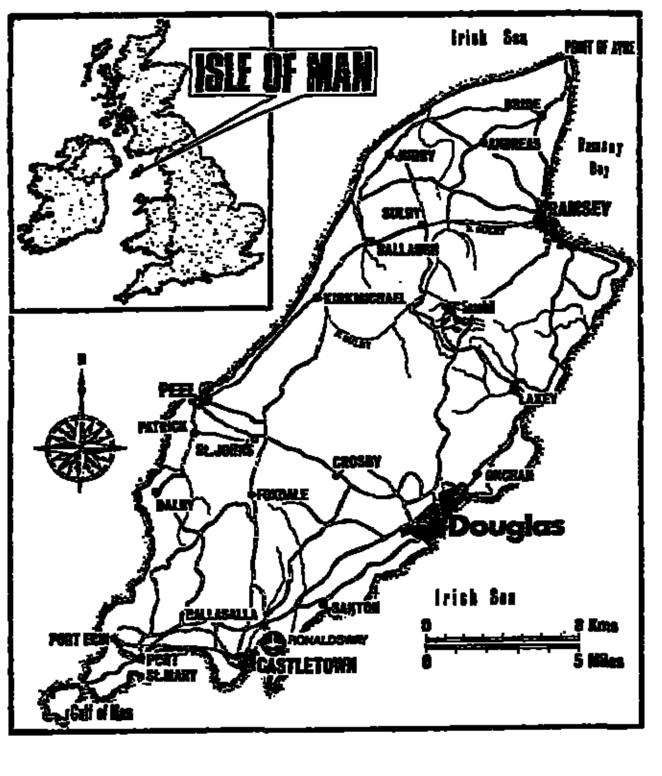
Indeed, the despondency that was widely apparent last summer has now disappeared. Then, there was nevertheless an emerging determination to bounce back from disaster. Now, the island is well on its way.

The SIB's collapse seems to have spurred many things on, speeding up changes that might well have happened anyway but which would probably have been slow in coming because of inherent Manx conservatism.

The most telling immediate change has been the creation of an impressively qualified team to inspect and supervise the financial sector. It is not so long ago that there was a view that this job could be done part-time by a retired financial expert; now everyone knows that much more is required.

Thus, Mr Jim Noakes has taken charge of banking supervision, bringing with him to the island wide experience from the Bank of England. The insurance sector is being supervised by Mr Duncan Neil, who spent many years buying insurance in the chemical industry and then worked as an independent consultant in the City of London.

Assisting them, and bridging both their offices, is a new commercial relations officer, Dr Martin Owen, a deeply committed Christian whose PhD made him an expert in predicting business failure. Another five staff are to be appointed soon.



The vast majority of companies in the island's finance sector do not need supervision, of course. Three-quarters of them are subsidiaries either of British clearing banks or international institutions of similar repute. Only 4 per cent of the island's deposit base is in private banks.

But it is a ha'porth of tar that spoils the ship, as Dr Owen puts it. Not having proper inspection would be rather like not having a police force because the majority is comprised of law-abiding citizens—and, conversely, policing brings protection for all and encourages general confidence.

The admission then that self-regulation has not worked puts the Isle of Man morally ahead of some other offshore financial centres that have no system of inspection at all.

Coupled with the island's attractive incentives, including a 20 per cent tax rate and tax exemption for insurance company profits on risks written outside the island, this demonstrable respectability must now be a major plus for marketing the Isle of Man as a developing financial centre.

So will the Exempt Companies Act, foreshadowed in this year's budget by the Island's impressive, no-nonsense "Chancellor of the Exchequer," Dr Edgar Mann, chairman of the Finance Board, work? This will extend the notion of the 1981 Exempt Insurance Companies Act to other types of financial institutions enabling more profits to be kept in their entirety.

Tax haven

The image that the Isle of Man will be able to project to the financial world will be that of a tax haven where everyone's money is as safe as can be reasonably guaranteed. The Government hopes that this will bring in not only companies, but white-collar jobs.

Overall, about 5,000 jobs will need to have been created over 1981-91 in order to maintain *reasonable levels of employment*. At present the unemployment rate is 9.3 per cent, and, although that is small compared with levels in the UK it is a considerable strain in a community of only 65,000 people.

Recession has flattened the economy. Construction, which employed 11 per cent according to the 1981 census, has been hit badly. So has tourism, which has a down-market base of low spenders anyway. The Government is therefore deliberately trying to expand the industrial base of the Island to get people into stable year-round jobs.

The aim is roughly to balance the contributions to domestic product of the industrial and finance sectors. At present the latter earns about one-fifth of the national income, with industry's contribution about threequarters of that. A free-port at Ronaldsway Airport, *which should be in existence* around the end of the year, is one new incentive to add to a generous range of grants.

This overall strategy suggests some perceptive planning and here the Isle of Man has made some interesting advances in the last year. These include the publication of a Policy Planning Programme, despite the risks of this not winning approval from people favouring a laissez-faire approach to economic development—and the Island has plenty of them in its business community.

The document, however, has all the hallmarks of a sensible corporate plan which a large company might be expected by its shareholders to draw up for straightforward reasons of prudence.

Indeed, with a gross domestic product of only £163m in 1980-1981—the latest figures available—the island's economy is not very different in size from that of a large company and should, therefore, be similarly responsive to proven techniques of corporate planning and control.

The fact that planning is taking place in this way is an advertisement in itself for increasing standards of professionalism in the island's Government and civil service. Significantly, some of the officers involved admit privately that the collapse of the SIB has helped greatly in accelerating progress.

Evidence that all these changes have not gone unnoticed came with Dr Mann's budget announcement that deposits in the island's banks rose by 34 per cent to £1.445bn in *the year to March 31. Although* there have been bigger annual increases in the last few years, the significant thing here is that there was an increase at all. There was relief in some quarters that it was so healthy.

Of course levels of deposits are like figures of tourist arrivals—interesting indicators, but only important if they generate wealth for the island after they have arrived. What will count in the next few years is how the Isle of Man encourages its financial sector in particular to put its money to work.

Authorities set closer watch on finance sector

THE Isle of Man has been moving with something approaching alacrity to clear the debris from last year's banking crisis. For a small community with insular traditions the steps taken by the Government in recent months have been well nigh revolutionary.

A year ago the collapse of the Savings and Investment Bank (SIB) amid complex litigation and the potential loss of £45m of depositors' money looked as though it would halt the growth of the island as an offshore financial centre. But only recently, Dr Edgar Mann, the chairman of the Parliament's finance board who is effectively Chancellor of the Exchequer, announced that deposits in the island's 45 banks and eight deposit-takers had risen by 34 per cent to £1.4bn in the first quarter.

Although some people question the accuracy of the Government's estimates on such deposits there can be little doubt that international confidence in the Isle of Man as a financial centre has picked up over the last few months.

The development of the island as an offshore centre is a recent phenomenon and until January it had been virtually unregulated. Last year's crisis led to several key steps which are already restoring confidence on the island:

- The Government has hired Mr Jim Noakes, its first-ever banking supervisor, a former Bank of England official whose mandate is to clean up the banking sector as fast as possible.
- A Department of Financial Supervision has been formed and consists of two other "outsiders" besides Mr Noakes—Dr Martin Owen, the new commercial relations officer and Mr Duncan Neil, the new insurance supervisor.
- Legislation is being prepared to tighten up the supervision of the banking sector.
- The Government has declared a moratorium on the granting of new licences for banks unless they are subsidiaries of institutions of international repute.
- The Government has been working closely with the Leicester Building Society to enable the society to become the first UK society to open an associate on the island in order to attract offshore deposits for mortgages on both the island and in the UK.

In addition to these moves the Tynwald (Parliament) has allocated a budget of £385,000 for three court-appointed inspectors to prepare a report on the affairs of the SIB. This is likely to be completed soon.

Tynwald has also agreed to the appointment of a Finance Supervisory Board which will be under the control of the Finance Board. It will have four members, a number expected to include Mr Noakes. The supervisors have also worked out how to use statutory insurance requirements to regulate who should act as auditors to the finance sector—a politically sensitive exercise as it could exclude several long-established small Isle of Man accountancy firms.

The fundamental problem with the Isle of Man banking sector is that it began very much on an "old-boy" basis. The community is small and anyone in your club "must be a good egg." The unregulated sector attracted 45 banks, most of them well-known names. But a few of the banks were, in the words of one government official, "bad apples."

International Finance and Trust Corporation collapsed in 1981 and SIB followed last year. Last December the authorities revoked the licence of Investors Mercantile Finance, a deposit-taker with ties to Northern Ireland. A full investigation of this deposit taker is expected to commence in the next few

CONTINUED ON PAGE III

New moves to encourage insurance companies to set up on the island

Campaign to attract more big names

WHEN the Manx Government passed the Exempt Insurance Companies Act of 1981, some people thought that little more else would need to be done for the Isle of Man to become "the Bermuda of Western Europe."

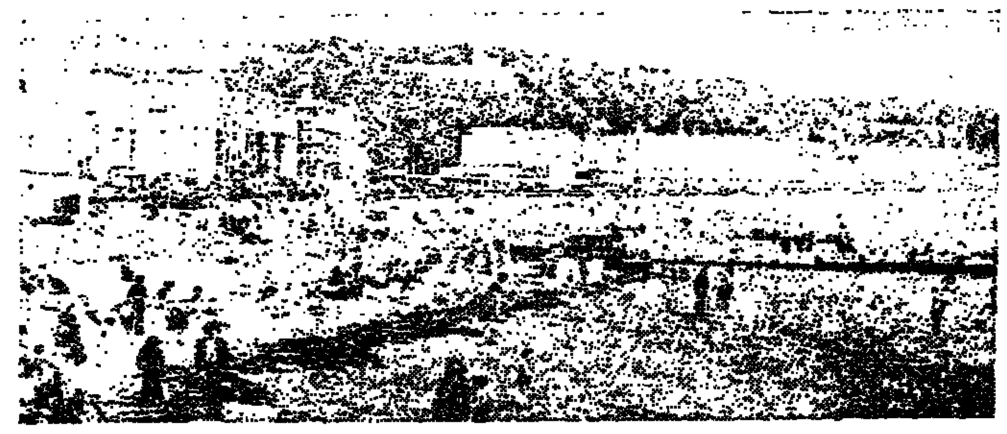
After all, the Act enabled Isle of Man insurance companies writing risks outside the island to have all or some of their profits exempted from taxation. What better incentive could there be?

Things have not worked out so simply. The legislation has elicited some inquiries that no respectable offshore financial centre would wish to see followed up, while, at the other end of the scale, one large U.S. organisation was put off by a relatively unsophisticated supporting legal infrastructure.

Somewhere in the middle of these extremes, however, something is stirring. The Act has been in force now for just 18 months: the more experienced of its supporters say that things could not really move much faster, especially since there is a big selling job to be done.

The message, though, is getting through. The Island has just beaten off a strong challenge from the Channel Islands and persuaded Hambro Life to set up in Douglas. This alone could persuade others and really open the door in the insurance sector.

Of course, there are some big names on the Island already, including the Royal's company Tower Insurance. Lloyd's Life opened in Douglas in the mid-1970s and Eagle Star's international life division registered last year and is about to launch into the market. But to establish full credibility the Island needs at least another couple of leading companies to move in, too.



Hopes among the insurance sector that the Isle of Man would become "the Bermuda of Western Europe" have not worked out so simply. Above: the sea front at Douglas

One important benefit being offered now is the presence of the Government's new insurance supervisor, Mr Duncan Neil, who was appointed at the beginning of this year. Mr Neil has 30 years' experience of buying insurance for ICI and British Celanese and has also worked as a consultant in the City of London.

When his inspectorate is fully staffed it will help guarantee the Island's image as a secure offshore financial centre and encourage more companies to set up: ultimately, if policyholders know that the custodians of their savings are subject to supervision, this must be good for sales.

Mr Neil thinks that the Island has missed the boat on the very insurance sector at which the 1981 Act was aimed—captive companies. These wholly-owned subsidiaries of large industrial companies are usually set up in the interest of economy. They gives access to the international reinsurance market and enable a well-managed parent company to insure very large but unlikely risks much more cheaply than through an outside insurance company.

Captives were very active in the 1970s when inflation rates were high and insurance was compartively expensive. Lower inflation has since seen the market go soft, Mr Neil says, so that captives offer less of a benefit.

The Isle of Man does, however have nine such companies. Mr Neil expects there to be more when the insurance market hardens again.

To set up on the Island, most of them will only have to deposit £50,000 in an Island bank, their bona fides being guaranteed by the respectability of their parents.

This low requirement of the 1981 Act—designed to attract captives—has, however, led to an assumption that it applies universally. In fact, it is a minimum sum. The Government's new supervisory team requires much more tangible evidence of assets from other types of insurance companies and they are likely to find that they must deposit at least £250,000 to have any chance of being allowed to operate.

Further, Mr Neil says that there is no sum large enough that would persuade the Government to let some insurance companies set up. Part of his job is to nip the more exotic of these in the bud, right from the outset. An example was a company based in two European countries which wanted to use the Isle of Man as a bridge of respectability to reach the U.S. market.

He thinks that life assurance companies now offer the best hope for immediate expansion of the Island's insurance sector. One important market for them is among European expatriates, particularly those working in the Middle East.

Many of the expatriates are highly skilled, highly paid and, with little chance to spend much money, looking for safe havens for their savings. Since they are usually employed on tax-free salaries, conventional UK life policies and savings plans do not bring the tax benefits that make them worthwhile in situations where normal taxation applies.

The opportunity, then, to take out policies with Isle of Man companies capable of making tax-free—and therefore very much larger—profits, must be a major selling point for the insurers.

Longer term, the prospects for growth in insurance are also going to depend on infrastructure. The Island's small legal community, for instance, is usually out of its depth in the waters of international corporate and taxation law and there is some anxiety among Government officers about this. Joint ventures with UK law firms may provide one answer.

The issue is, indeed, important, with one big catch not landed because of it. The company concerned went to the Cayman Islands instead, creating white-collar jobs there that the Isle of Man desperately needs for some of its better educated young people.

Mr Neil hopes it will not happen again.

Ian Hamilton Fazey

PROFILE: DR. MARTIN OWEN

Key role in the supervision of finance sector

Dr Martin Owen: he is extraordinarily well qualified for his new job

MARTIN OWEN'S last job was as a full-time officer in the Salvation Army. At the same time he took a Ph.D. degree in business administration at London University. It made him an expert on corporate failure.

Actually, he set out to study what makes companies successful but among the things that emerged were statistical means of identifying when things are going wrong. He says that the danger areas are not just general management, finance and resources, but also the tightness of internal control and the degree to which short-term goals are emphasised at the expense of strategy.

Dr Owen's latest job is, therefore, one for which he is extraordinarily qualified. Last September he was appointed the Isle of Man's commercial relations officer. His role is a key one in the inspection and supervision of the Island's finance sector.

His background could have been tailor-made for the Island's needs, especially since the collapse of the Savings and Investment Bank last year.

Viewpoint

"Supervision means safety," he says. "People know that what might have been acceptable in years gone by is now not on."

His job, he says, is to put himself in the shoes of the depositor, the investor or the policyholder and protect their interests from sloppiness, incompetence, or even fraud—"I can smell a fraud a mile off," Dr Owen says.

He has already helped to stave off one involving counterfeit bonds; it was far from the Isle of Man but the Manx good name was going to be misused as part of the crime.

That sort of thing is one of the risks of being an offshore investment centre. The Isle of Man Government is trying to ensure that it is seen to be taking all reasonable steps to secure the highest standards. Dr Owen says: "The very fact that this office exists proves that self-regulation does not work. But we are not trying to restrict honest people. We have to strike a balance between accountability, flexibility and responsibility."

Dr Owen's role includes supporting the Island's new banking supervisor, Mr Jim Noakes, and the insurance supervisor, Mr Duncan Neil, both highly qualified former senior managers from their relevant sectors. His own background is that of a successful chartered accountant and goes far beyond his time in the Salvation Army, although he is still only 37.

He was born in Breconshire and says that community life in rural Wales is not very dissimilar to that on the Isle of Man, with people sharing comparable values in areas such as self-reliance and accountability, deeply-held moral and religious convictions, and the wish to live at their own pace.

He developed a fascination for figures and book-keeping at an early age and left school of his own accord at 16, having arranged his own articles with a firm of accountants in Cardiff. He qualified before he was 21 and had to wait to join the institute. He immediately embarked on other courses and qualified for the other major accountancy institutions too.

After a period as a partner, he worked for the Wales Gas Board and then with an accountancy practice in Jersey before returning to Wales as financial controller of Harlech Television. Then he was managing director of an insurance company until it was sold to a large accountancy firm in 1979.

That gave him some capital and enabled him and his wife to offer themselves for full-time work with the Salvation Army, to which they had both been committed for many years. He was one of only two chartered accountants working within the charity and continued until a year ago.

He says: "If that stage of my life emphasises anything, it is the importance of honesty to someone like me."

This helps the Island's image of integrity greatly although, as Dr Owen points out, most financial operations on the Island could hardly fail to be beyond reproach anyway—half of the major companies involved are subsidiaries of British clearing banks and half the rest are owned by major international institutions. Indeed, only 4 per cent of the deposit base is held in private banks.

Challenge

"But it's the ha'porth of tar that spoils it for everyone," Dr Owen says. "We have to prove that there is supervision and control. This job is a great professional challenge and there is a general will to make supervision work.

"After the collapse of SIB there was a tremendous feeling of despondency. But now people can see that we are starting to move. Of course, there are times when the investor can be equally at fault—you cannot always protect against pure human greed. I can, however, try to put myself in the shoes of the vast majority of investors or depositors."

Next year his role may come to be universally understood by millions of televiewers, since one TV company is planning a drama series about the Isle of Man's financial sector, with the commercial relations officer in the central role—a sort of Manx financial Bergerac.

Dr Owen is making sure that they get the basics right, though it must be asked whether any fictional character would be regarded as too good to be true if the real thing were mirrored too closely. Among other things there cannot be many people doing a job like Dr Owen's who are also lay preachers in the Methodist church and deliver the equivalent of Thought for the Day on Manx Radio.

L.H.F.

ISLE OF MAN III

The debate on political reform arouses keen feelings among Manxmen

Ministerial plan approved

"WE ARE in the last quarter of the 20th century. We should have a modern form of government."

This is the rallying cry of at least one official of the Isle of Man Government and it is viewed as nothing less than radical by some politicians on the island. The reform of the Manx Government structure, which entails a shift towards a ministerial system with an eight-member Cabinet and a Chief Minister, could well be one of the hotter political issues to come before Tynwald, the island's Parliament. The ministerial plan was approved by Tynwald last June by a very narrow majority.

The problem is that Manxmen are proud of their 1,000-year-old Tynwald, founded by the Vikings, and some have been quite resistant to changing it.

The Tynwald is composed of two bodies coming together, the elected House of Keys and the nominated Legislative Council. The House of Keys is as close as the Isle of Man comes to having a Commons—24 members are elected every five years. The Legislative Council, considered the Upper Chamber, is composed of eight members together with the Bishop of Sodor and Man, the last remaining Baron of the Kingdom of Man, and the Attorney General.

Members of the Legislative Council are chosen by and usually from the House of Keys twice during each five-year term of Parliament. Once a Legislative Council member has been selected the House of Keys has to have a by-election.

The Island is governed by the two chambers and also through an elaborate system of committees and boards. The Executive Council (Exco) is composed of eight leading members of Tynwald and has a chairman—Mr Percy Radcliffe—who is effectively the Island's *Prime Minister.*

Mr Radcliffe and several of his colleagues worked hard to ensure the adoption in June of a report which endorsed a shift to ministerial government. At present there are no Cabinet Ministers, just the chairmen of several boards such as the Finance Board led by Dr Edgar Mann, who is effectively the Island's Chancellor *of* the Exchequer.

Mr Radcliffe points with pride to the fact that in 1981 he became the first Exco chairman to be appointed by the *full* Tynwald rather than by the eight-man Exco itself. He describes the Exco—which by law includes the chairman, the heads of the Finance and Home Affairs Boards and five other members—as a "mini-Cabinet." The newly approved ministerial set-up will provide for a Chief *Minister and eight Cabinet* Ministers.

Not everyone has seen the merit of a ministerial set up, however. Mr Victor Kneale, through his minority report on the ministerial proposal, provided some tough opposition.

Mr Kneale disagreed with the idea of a ministerial government. He predicted accurately that a number of members of Tynwald would favour his minority report and vote against the ministerial proposal.

In the event the vote in the House of Keys was 12-9. The Legislative Council was split *three to three* and it was only the casting vote of the Lieutenant Governor which saw the ministerial proposal adopted.

The groupings of politicians which form on various issues before Tynwald can be described in general terms as one fraction which is progressive and outward-looking and another which adopts a more parochial and insular view of change.

Some issues do not lend themselves to these categorisations. A prime example was the decision in 1981 to approve more than £20m of capital spending on a new hydro-electric scheme called Sulby Dam and a renovation of the breakwater in Douglas harbour.

Mr Kneale says the Sulby dam was "a complete waste of money. The energy committee which pushed it through was *completely unrealistic. It will* never be anything but a white elephant. The motive was political—somebody trying to build monuments."

Mr Radcliffe appears to agree but his description of the Sulby project is less direct: "There could have been a better valuation received by the consumer on the Isle of Man for his money."

The other key issue before Tynwald has been the banking crisis of last year, stemming from the collapse of the Savings and Investment Bank (SIB). Although two Bank of England officials were brought in to complete a report on the Island's banking supervisory system and a new banking Supervisor appointed in January, the Tynwald has refused to publish the report. Instead it is spending *£385,000 on a court report on* SIB to be completed during the next few weeks.

Several key government officials admit privately that failure to publish the first report completed last December was a mistake. The report is believed to have been highly critical of the Manx Government for its complete lack of effective financial supervision.

The Tynwald has now amended its Banking Act 1975 in order to tighten up regulation. It has also been working on legislation designed to formalise a new Department of Financial Supervision.

Meanwhile the atmosphere in *Government offices in Douglas* is a mixture of hope for the future and regret about the recent past.

Alan Friedman

Tourism lags behind modern needs

THERE IS a serious crisis in the Manx tourist industry. For the past few years the number of people staying on holiday has fallen and, with it, the industry's contribution to the economy. Once a major source of revenue of the Manx Government, tourism's contribution is now low. What has gone wrong?

The hoteliers see the answer simply as lying with the Tourist Board, the four Tynwald members who head the department responsible for their industry. Removing the four is not a final answer, as they would merely be replaced by four other Tynwald members. Other critics more pertinently claim that the need is for a controlling authority which would have business expertise available through its membership.

Certainly the solution to the problem lies in the hands of Tynwald. A report adopted in 1970 proposed just such a restructuring of the board. The proposal was that while Tynwald members should be still board members there should also be outside members, nominated by the Lieutenant Governor, to represent all sides of the industry and that there should also be power for the authority to co-opt, on a temporary basis, expert members when expert advice was needed.

Irrespective of board changes the question that has to be asked is what sort of *tourist industry does the* island want?

It is developing away from the position in which it was a mass market. That market has gone because of social changes in Britain and also changing tastes among people who once, almost automatically, spent their holiday on the islands.

Director of Tourism Mr Stuart Peebles is realistic. He *clearly sees the need for* change and his aim is to see the island become not a holiday resort with a short season, which yearly seems to get shorter, but a year-round resort. With the growth in the industrial and financial sectors of the Manx economy this could happen.

The tourist industry could gear itself to welcome small company and trade association *conferences which are held* throughout the year. While these would not fill many hotels they would provide revenue for those which set out their shop to attract them. That is up to the hoteliers.

A voluntary scheme of hotel and guest house grading, at present on a small scale, has been started and the Board expects it will be extended. Mr Peebles said *that while he agreed there* was a need to improve accommodation standards there had not been a larger than usual number of complaints about accommodation during the early season. Any decision on compulsory grading was a matter for the Board and at present they were seeking to improve standards by co-operation. There must be improved accommo*dation standards if the island* is to go, as it must, up-market in the tourist industry.

One of the successes of this season, he said, was the Board's Everyman package holiday. The aim was to sell around 5,000 but that figure had been more than doubled and as it was being operated on an all-year basis it was hoped it would grow. He welcomed the move to oper*ate direct coach services from* West Germany and pointed out that while there were grumbles about fares to the island they were, on the sea services, not excessively high.

Early this year Mr Peebles said that he was cautiously optimistic about prospects for the 1983 season. In mid-August he said that he was satisfied that the island had had as good a season as most *British holiday resorts.*

The hotel side of the industry must set its house in order and realise that running a hotel requires business expertise if it is to prosper. There must be improvements in standards if the island is to go, as it must, up-market in the tourist industry.

In recent years the honky-tonk merchants have been allowed much too free a hand, *especially in Douglas, as the* Isle of Man has a great deal more to offer than what is on show in the main shopping street of the town. The natural attractions are many and they must be properly presented. A start has been made in providing activity holidays. Gradually there must be a turning away from the traditional markets for holidays and a properly *researched programme to* make the island known in areas where there is a market for holidays.

W. K. Clucas

CONTINUED FROM PAGE 1

Closer watch

weeks amid reports that it had been sold recently for one pound sterling. The company was thought to have had deposits of £1.5m to £2m; no *one* is quite *sure* where *these* have gone.

Dr Mann's view of the problem is that as the finance sector was very small until recently, the speed with which it developed "overcame the concept of self-regulation." No longer does "everybody know everybody else" on the island. A variety of motives may lie behind the establishment of a small offshore private bank and *these can range from the attrac*tions of a tax haven to more sinister affairs.

One of the goals of the authorities is to ensure that deposits are sacrosanct. This can be difficult in a financial community where one can sometimes tell just how a bank may be *doing by looking at the* daily increase of deposit rates in the windows along Atholl Street.

The authorities have asked all banks to reduce the amount of inter-company lending, where a bank may make loans to its major shareholders or their associates. The Anglo-Manx Bank, a private bank which is 80 per cent owned by Mr Alan Lewis, the UK entre*preneur, is one of several banks* which has been asked to lower its inter-company lending.

Anglo-Manx is highly liquid—its deposits are believed to be around £2m and its loan book a little over £1m. Mr Lewis's companies have borrowed a substantial portion of the total loan book but these loans are being reduced and now stand at less than 50 per cent of the bank's capital and reserves of £800,000.

As well as the informal discussions between Mr Noakes *and* the *island's* banks, new banking legislation is being prepared to make for more stringent capital adequacy and other banking requirements. Dr Mann is frank about the objective: "We've got to be far more sophisticated. We've got to employ a number of people of the right calibre."

But neither Dr Mann nor anyone else in the Government can offer a solution to the lack of a "lender of last resort."

"When you get crises occurring," explains Dr Mann, "the first thing one misses is that there isn't a lender of last resort."

Dr Mann says he and his colleagues have gone through "any number of schemes since the collapse of SIB" to create some kind of depositors' protection fund.

He points out that the banks are not willing to co-operate on such a scheme and there would be "violent opposition" if the Isle of Man tried to use government funds to bail out banks. "There is no way we can create *a fund which is politically* acceptable," he says with a resigned air.

Isle of Man politics have the flavour of small-town brokering. There are no political parties to speak of and most members of Parliament are independents. But a number of government officials and members of the financial sector think it was a political mistake when the Tynwald refused to publish a report *on the Isle of Man banking sys*tem last December.

The report, prepared largely by two officials of the Bank of England who had been seconded for several months, is understood to have been highly critical of the way the affairs of the finance *sector* were left unregulated.

Mr Percy Radcliffe, the chairman of the Executive Council and effective Prime Minister *of the island, defends* his view that the report should not have been published. "It was a report made directly to the Government and we are not going to publish it until the SIB bank inspectors have completed their report."

A number of businessmen on the island feel the report was suppressed because it would have been damaging to the island's reputation, but there is widespread expectation that it will be published once the SIB report is completed.

The SIB report, being prepared by Mr Tim Beer of Peat Marwick Mitchell, his joint liquidator of SIB Michael Jordan of Cork Gully and Mr John Chadwick QC, could make grim reading.

It is already known that the bank has a deficiency of at least £18m and few people expect depositors to see much of their money back. A realisation of 10p to 20p in the pound seems almost optimistic to some informed insiders.

The inspectors told creditors recently that the financial position "is far worse than apparent." Only very few of the 120 debtors who have been issued with writs for the recovery of loans have made repayments. The liquidators of SIB reckon there is "little likelihood of an early distribution" to depositors.

Ironically, however, the island's deposit base increased even as publicity about SIB went from bad to worse. One government official reckons that in the world of offshore centres "there is no such thing as bad publicity." He may well be correct.

Alan Friedman

Small high technology businesses are the targets of industrial promotion

Wealth of industrial incentives

THE IDEAL *company sought* by the Isle of Man is a low-bulk, high added-value business. It does not have to employ many: ten will do for a start (if that), although the Government would like to see jobs rise to the 30-40 level within a few years.

Electronics, precision engineering and computer software are thus among target activities. *To lure new and* existing companies, there is a generous range of grants and loans, as well as the Island's 20 per cent universal tax rate. And from the end of this year, the legislative timetable permitting, there will also be a Manx freeport.

The freeport will be sited near Ronaldsway airport. Although much is being made of it in the Island's current promotion programme, there is unspoken acknowledgement that its presence may be more cosmetic than anything else.

"Let's say that it will at least give us another arrow in our quiver," says the Industry Board's Mr Ken Bawden. In fact, the bait is pretty tasty already—the freeport will make the lure that little bit more attractive, especially since its main benefit will be to the low-bulk, high added value types of business that the Island is *already geared up for.*

However, news of the freeport's imminence has already attracted a serious inquiry *from a company involved in* electronics assembly. And recently the Government brought over a group of 20 from com*panies in the Thames Valley,* using the scheduled Manx Airlines flight from Heathrow to prove just how apposite that new development is to the freeport's likely emergence.

Having the freeport is likely to prove a major selling point *as high technology companies* look for where to locate as the world comes out of recession. A global search for companies is not unrealistic: one small advertisement in a U.S. business magazine elicited 700 inquiries —well above the magazine's normal response level. Every post brings a score of requests for information. Mr Bawden says that current inquiries never number less than 100 a week.

Software houses

"If we convert just a tiny portion of these, our campaign will have proved very successful," he says. "We think we could prove especially attractive to these small computer software houses run by people in their 20s and 30s who make a lot of money very quickly but then run the risk of getting into trouble taxwise."

Those tax advantages over anywhere else within striking distance of major European markets have already proved *worthwhile* in attracting companies to the Island. Once there, newcomers find a stable political system, stable labour *relations and an adaptable* workforce.

Freight charges are a problem, of course, and so is *the cost of relatively expensive* electricity—"but we don't try and lure people under false pretences," Mr Bawden says. "We find out what *proportion* of their costs are likely to go on carriage and power and if it seems too high, we suggest that the Island may not be for them."

However, even with freight charges 50 per cent up on a *comparable operation in the* UK, Mr Hugh Stirrat, managing director of Breeze Trading, in Ramsey, said: "I would love to be able to operate in the UK the way we do here. We would make a great deal of profit."

His company, part of the *Autobar* Group, is in the portion-packaging business, putting products such as sugar into little sachets and carrying out *many similar operations involving* 2m items a day. Its customers are airlines, hotels, food companies and restaurant *chains.*

Mr Stirrat says: "The tax is low, the rates are miniscule, the going rate for labour is lower, rents are lower, the labour force is both willing to work and stable, and management is in proper control of the business."

One reason for good labour relations on the Island is that there are no big industrial units. The largest employer, Ronaldsway *Aircraft, which is in the* ejector seat business, has a payroll of fewer than 600. The next largest company employs less *than 300.*

The manufacturing sector employed 13 per cent of the working population, according to the 1981 census. Present policy is to increase this percentage continuously, diminishing reliance on the construction industry, which accounted for 11 per cent of jobs.

This should also increase the contribution of the manufacturing sector to the Island's domestic product from its present 15.5 per cent. Policy is to bring it closer to the main income earner, finance, which accounts for one-fifth. The tourist and construction industries each contribute about 10 per cent of the total.

A broader industrial base would add to the Island's economic stability, providing year-round work and catering for an expected increase of about 5,000 in the working population in the decade to 1991. The 1981 census showed that 27,564 of the Island's 64,679 residents were economically active but the number has already increased by about 1,300.

Unemployment in March, as the pre-tourist season jobless peak approached, was 2,129, a rate of 9.3 per cent, and would have been worse but for the government's "winter work" schemes, in which people are used for things such as refur*bishment projects.*

Mr Bawden says that not many new companies need to be attracted to mop up that pool of unused labour. Nearly every region in Britain would love to have only that magnitude of problem—and a comparable range of incentives to woo new companies.

Ian Hamilton Fazey

Controversy rages over the plan to sever customs links with the mainland

Hot potato now in cold storage

THE MANX Government has just picked up the Island's hottest political potato and *popped it into the freezer.* It was a proposal to end the Isle of Man's customs union with the UK and it was so contentious that civil servants were split and industrial leaders mobilised into an organised lobby.

With consensus clearly impossible, it was decided to leave things as they are "at this time." The issue, however, is not dead but in cold storage. Its supporters, who feel the idea has not been properly understood, may well prove unhappy about leaving it there.

One of the chief supporters of abrogating the customs agreement is the Government's senior economist, Mr John Webster. He admits that one problem in carrying his argument is that while costs of abrogation can be worked out easily, the benefits are largely unquantifiable in advance.

What the Island would lose includes any duty from first entry it gets from direct im*ports and its share of agricul*tural levy payments, pool betting duty and monies raised via the Continental Shelf explora*tion agreement.*

It would also lose tourist revenue coming from summer sailings from Ardrossan and *Fleetwood, since the UK Cus*toms and Excise department would not be willing to staff up at the two ports in order to cope.

Mr Webster says that the total revenue involved would be of the order of £3.9m a year.

Against this, he says that the Island would be free to set its own rates of VAT and duties on drink and tobacco. At present the customs agreement ties these to the UK's, which is not always in the interest of the Isle of Man.

He says that freedom to set the Island's own rates of VAT and duty would increase spending on the Island among residents and tourists and greatly stimulate the retail sector.

In the financial sector he says that a rigid VAT system is a disincentive, encouraging businesses to move off the Island or not come *at all,* preferring instead places not tied to the UK such as the Channel Islands, which have no customs union with Britain. Abrogation would thus help development as an offshore financial centre.

Another factor, Mr Webster says, would be the stimulation of tourism as more people were attracted by a duty-free or duty-reduced strategy. He thinks that this alone might be worth £3m a year.

Mr Webster says: "What we are really talking about is a change in the appearance of the Isle of Man. The experience of the Channel Islands suggests that it would actually be attractice to manufacturing industry. We would have independence within the European Community. It would make no tangible difference. There would only be a barrier because we had different rates of VAT."

None of this makes much impression on leaders of the Island's manufacturing industry, who say there would be a customs barrier which would involve them in extra cost and unprofitable bureaucracy every time they sent anything off the Island.

Organised lobby

Feelings are strong enough for companies to have formed a disciplined, organised lobby, so that when Mr Webster and colleagues went to a public meeting to explain the proposals they were confronted with a hostile audience of employers.

Since then the industrial lobby has pressed its opposition even harder, with leading companies telling the Government that they will withdraw from the island if abrogation goes ahead.

One chief executive told me: "I can see all sorts of paper work being involved. Sometimes I have 10 different orders in one container. Each would require its own documentation. I can see costs going up by about £50,000 a year.

"If abrogration occurs, I shall be recommending to my company's owners that we pack in on the island."

They also question whether duty-free or duty-reduced policies really would boost *tourism, pointing to the island's* down-market appeal, its lack of a good range of shopping, and its almost total absence of *modern accommodation.* "Small savings on drink are not going to be enough to attract people." one employer said.

Which side is right is not going to be put to the test—yet.

I. H. F.

Audit scheme wins acclaim

THE ISLE of Man's *mechanism for regulating* auditors has already been hailed in the accountancy profession's specialist Press as the most *revolutionary* brought in by any government. The scheme, announced last month, is likely to be watched closely by Britain and other authorities with a view to copying it if successful.

What the Island's Department of Financial Supervision has done is to insist that firms of accountants auditing banks or *other deposit-taking organi*sations must be insured for £10m against claims for negligence. The figure for auditors of insurance company *accounts is £5m.*

In effect this means that the private sector will draw up the Island's list of approved auditors. The criterion for approval will be whether the firm of accountants concerned can convince the insurance market that it is a good risk.

The Manx Government eventually shied away from *drawing up its own list, which* would have involved bureaucracy and value judgments about professional competence *and would probably* have raised some local criticism about its fairness. The people most likely to be affected are a few small firms *of accountants on the Island* who would not be able to raise the ante—a sizable insurance premium—if they *took on work the insurance* market considered beyond them.

Since about four-fifths of *the Island's deposit-takers* and insurance companies are already audited by international firms, most auditors *will not be affected. The big* firms are well insured against claims for negligence already, many to limits four or five *times above the Island's mini*mum requirements.

I. H. F.

There are promising signs for Manx Airlines' future

Homely image for local airline

TERRY LIDDIARD'S basic busines philsophy *is* simple: "We have tried to take a great leap backwards by *about 25 years.*" he says.

This approach has actually helped the company he runs *quite literally to take off.* The company is Manx Airlines and since it started present operations last November it has more *than justified its* backers' £500,00 initial investment.

Mr Liddiard expects first year turnover of £8m. More importantly, he also expect to make a profit—two years ahead of schedule, and a sure indication that the company has got its basic approach right to routes and markets.

The quarter-century backward leap is not into old technology but to old-fashioned, friendly standards of service. Mr Liddiard says that Manx's fleet of small, commuter aircraft help promote the airline's homely image, *so much so that the Lon*don route has become almost like a club, with familiar faces on its Viscount week after week. Many know the crews by name, and vice versa.

What Manx is doing is exploiting the Isle of Man's geographical position to make it a hub for most of the major, short-haul routes across the Irish Sea. Thus, apart from its twice-daily return service to Heathrow, it runs *scheduled flights* to Manchester, Liverpool, Blackpool, Glasgow, Belfast, Edinburgh and Dublin.

It also flies the direct service between Liverpool and Belfast. Since its commuter airliners enable it to fly into Belfast Harbour Airport in the city centre, *Manx scores mightily in the fight* for north-west business traffic with British Airways, whose Manchester-Belfast service lands at Aldergrove, *an* expensive, time-consuming 15 miles out in the Ulster countryside.

People on the Island still shudder when they recall the days when they had to rely on British Airways for their major air links. Flights to London took frustrating hours because of a need to change aircraft at Liverpool. They felt out on a limb, their natural isolation accentuated by the Island being on a Cinderella route.

Manchester route

Eventually, when British Airways abandoned the *services in* its now successful attempt to become profitable elsewhere, British Midland Airways and UK Air *took over, even com*peting on the Manchester route.

But British Midland, with its East Midlands base at Castle Donnington, and UK Air, flying out of Norwich and Gatwick, both found it difficult to run the services at arm's length: *small* airlines need to keep close to the ground in which their grass roots grow.

So the two airlines decided *to form a* new *company* to rationalise the Isle of Man services and consolidate the trans-Irish Sea routes. They did not *even have to register* a new name because UK Air's parent, the British and Commonwealth Shipping Company, already owned a defunct com*pany called Manx Airlines.*

This had stopped operating in 1947 because it needed aircraft to expand but could not get them. It was taken over by Silver City Airways which in turn became part of British United and later Air UK.

BMA, whose entrepreneurial chief executive Mr Michael Bishop became chairman of the new Manx Airlines, has 75 per cent of the equity. Mr Liddiard, Manx's general manager, used to work for BMA.

Already the airline's success *has enabled it* to trade up its aircraft. It started off with one 73-seat Viscount, two 44-seat Fokker Friendships and two *18-seat Bandeirantes, all of* them leased, with one of the Bandeiratnes for part-time use only.

Now the Bandeirantes—unpopular, unpressurised aircraft that bounced around in turbulence, alarming all but seasoned business travellers—have been gratefully returned to their owners. The routes they flew are now serviced by an SD 330 leased from its makers, Short Brothers of *Belfast,* which took it back in part-exchange when Loganair brought one of Short's impressive new SD 360s, the *aircraft type Manx will prob*ably move to next.

Mr Liddiard says that the Bandeirantes nevertheless did a *valuable job in proving new* routes, such as the one to Glasgow, which started off with only three or four passengers per flight and built up gradually. *The company would not have* been able to afford the wasted capacity involved in using a bigger plane.

*This service aspect of develop*ing new routes is an important part of Manx Airlines' marketing stance, for it could make a lot of money if it wanted *to* by concentrating only on the London and Manchester routes, which operate with two-thirds of their seats full overall.

However, just providing the service can pay off handsomely, as has been proved with the Liverpool-Belfast route. This started its two flights each way per day nine months ago with only a 39 per cent seat occupancy rate. The rate crept up very slowly through the forties in the spring but eventually reached a 65 per cent plateau as word of the new service got round.

There is one other aspect to Manx Airlines that has helped its take-off: its 104 staff are all prepared *to do anything* they can reasonably be expected to master.

Thus, standby flight crew happily run the check-in desk or handle reservations or go out selling to business travellers. Recently, Mr Lilliard had a golden opportunity to lead by example when a machine broke down—he had to spend two hours personally doing the airline's washing-up.

I. H. F.

MANX NOTEBOOK by Ian Hamilton Fazey

Visitors seek an up-market oasis

THE BUSINESS traveller soon discovers one of the great drawbacks of visiting the Isle of Man: it is basically a down-market tourist centre whose accommodation is dominated by boarding houses.

Nowhere is this more apparent than in Douglas, the centre of economic activity and the place where most business visitors have to stay, particularly if the trip is short and car hire not easy to justify.

The Palace Hotel (£28.50 a night, excluding breakfast) is the only modern one with basic amenities like bathrooms purpose-built *en-suite*, although some of the older establishments are trying to modernise. The Palace opened in 1966 with 100 rooms and added another 39 in the next decade. The older rooms are now beginning to look somewhat well-used and not a little worn—they were even like that at the start of the holiday season.

It is owned by the Island-based, independent Palace Group, which also runs a travel company and two cinemas in Douglas. The manager, Mr Tony Woodrow, admits that the big problem is making a profit while trying to stay up-market: all the volume business is among down-market tourists attracted by the hotel's night-club and casino.

First steps

Last year the Palace took its first steps in market segmentation by turning its former snug cocktail bar into an exclusive card-entry executive club, which is nowhere near as directly profitable.

But it has attracted many leading members of the Island's business community, with good spin-offs for Palace Travel. It does a good trade with some tasty snack lunches and only 20 of the original 135 members have not returned their £60 annual subscriptions.

Alas, the club is not open to business travellers staying at the Palace and few sophisticated businessmen used to universally higher standards will be very impressed with what Douglas has to offer. Even the Palace's up-market, but moderately-priced grill room, which has an excellent fish menu and serves massive helpings, has to be reached through a bustling but down-market bar.

And this is the better end of things in a town which suffers from under-exposure to the standards of the outside business world. The Island's leaders do seem somewhat embarrassed about it all, knowing full well that what will do for the average commercial traveller will not impress the international financier used to jetting into the world's major business centres.

Yet this is the person who will take the decisions that will see the Island's financial sector develop or fail. Douglas needs an up-market oasis to leaven its image—and that includes attention to detail, such as casino doormen in the hotel lobby who do not look like scowling bouncers, full of potential menace as they stand by to repel the yobs in the wee hours.

The Government Building in Douglas: The Island's leaders do seem somewhat embarrassed by the lack of leisure facilities to impress international financiers, used to jetting into the world's major business centres.

Telecommunications system upgraded

High speed data links

ONE AREA of infrastructure where the Isle of Man excels is telecommunications, which British Telecom provides. At the simplest level most people cannot recall a bad line to or from the island.

Upgrading of the system is continuous, particularly to use new advances in digital technology. Planning is now well advanced, for example, for a business system that will use customers' own dish aerials to give access to all major centres in Western Europe via satellite.

The service, SatStream, will be available around Christmas and should be attractive to anyone needing to transmit huge amounts of data. Banks, finance houses and insurance companies should become major customers.

Next month will see more normal digital technology available to give customers Telecom's KiloStream and MegaStream service. The former provides data links at 64,000 bits per second between visual display units, teleprinters, teletypewriters and computers.

MegaStream will do the same jobs at between 2m and 8m bits per second, a mind-boggling advance over present Packet Switch-Stream services, which can manage only a merely slowcoach 48,000.

The digital services follow the re-equipment of the island's 10 telephone exchanges and the phasing-out of any remaining electro-mechanical plant. This is being matched with a speedy upgrading of line systems and there are also plans to augment radio links with the UK to give access to the national integrated digital network.

Meanwhile, an electronic unit going into Douglas exchange before the end of the year will give subscribers automatic charge advice, automatic reminder calls, call barring, "repeat last number" facilities to save redialling engaged parties, three-way calls and abbreviated dialling.

All this is good going for a network of only 23,000 subscribers averaging a total of 61,000 calls a day. It is also a clear indication of Telecom's faith in the future market for data transmission as the financial sector develops further.

Big success for independent postal authority

Collectors' corner

IN MIDSUMMER — on July 5, Tynwald Day — the Manx Post Office celebrated 10 years of independence. The decision to break away from the British Post Office, has proved very profitable; it enabled the Isle of Man to venture into the world of stamp collecting.

As an independent postal authority the Island can issue its own definitive and commemorative stamps. Limited editions of commemoratives have their own rarity premia.

In 10 years subscriptions to the island's philatelic service have grown to more than 40,000 in 104 countries. Even in 1981-1982—the latest for which full figures are available—sales reached a record £1.77m, resulting in a £769,332 profit, a good performance in a recessionary year when world philatelic markets hardened as people everywhere cut back on spending.

Many subscribers are individuals. They include one each in Tristan da Cunha, the Virgin Islands, the Solomon Islands and Czechoslovakia. The bulk—28,500—live in the UK but the numbers in the U.S., West Germany and Canada are well into four figures, with the Netherlands, Norway and Australia also prominent.

Since an individual collector would usually find it difficult to spend more than £5-£10 on new stamps in a typical year, it is obvious that the largest value of sales comes from the stamp trade, with dealers buying in bulk for onward sale.

Latest commemorative issues from the Manx Post Office

Dealer interest manifests itself readily at stamp exhibitions, a factor which has encouraged the Manx Post Office to go on show at most of them, particularly those in West Germany.

Mr Norman Bason, Post Office Controller, says: "We are absolutely amazed at the speed the philatelic service took off. We were expecting a slow build-up. Growth was very rapid in the first few years and it has been steady since then."

To commemorate independence in 1973 a stamp was issued depicting the Viking landing of 938 AD. Its full print of 350,000 sold out almost immediately. A new edition of the same stamp, labelled "Post Office Decennium 1983," is expected to do likewise.

At the same time the Manx Post Office is commemorating its own new headquarters building, itself an indication of successful independence, since its £1.5m cost was self-funded. Philatelic profits, incidentally go straight into Government funds; the general postal service is deliberately run to just break even.

Why a new building was needed is obvious from the warren-like trek one has to take to reach Mr Bason's office. Before independence the Post Office could be run with a score or so people. Afterwards it needed its own finance department and philatelic bureau. The latter has created 45 permanent jobs on the Island for better-qualified people who in years gone by might have had to emigrate to find appropriate work. First-day covers bring temporary jobs.

Eventually, the only way to cope was to take over the old Board of Education building next to the head Post Office and break through into new offices.

But stamps are not the only thing which the Isle of Man produces for the collector. It has long been a pioneer in coins and banknotes.

Thus the Government was the first to issue 20p, £1 and £5 coins. Moreover, it changes its coin designs every three or four years, so there is always some degree of rarity value attached to Manx coinage. Attractive £2 gift packs make useful souvenirs of the Island.

Collectors are also catered for by two new commemorative crown pieces being issued each year. These can be obtained in base metal, silver plated, silver, gold or platinum at prices ranging from £4 to £1,000. Profits are usually of the order of £500,000 to £750,000.

What the Government hopes will be a big money earner is to be launched later this year when the appropriate enabling legislation has passed through the House of Keyser. This will be the Isle of Man noble (a coin of ancient lineage) and it is being issued to compete with the Kruggerrand.

The noble will be made from 1 oz of pure platinum. Mr Chris Torvill, the man in charge of the project, says it will bear no indication of face value — certainly not the £10 previously reported in some quarters. The market price of platinum will dictate its worth.

The Government has its own secret supply of platinum from which the coins will be made, and Mr Torvill acknowledges that there is something of a gamble involved. "We reckon it will take three years before we know whether the noble is going to sink or swim. We have to convince the world bullion market of its worth. It took the Krugerrand five years but that established the concept."

The Government has also learned something from its experiences in the coins market generally. People did not spend its first £1 coins but kept them. They did not want to lose the old 10s note, so 50p notes account for a quarter of 50p units in circulation on the Island.

Notes, therefore, are popular, no matter how the pound loses purchasing power. So instead of forcing people to use £1 coins, a more durable £1 note is being issued later this year. It is made of a fire-resistant, non-hygroscopic (and thus germ-free) plastic that is almost impossible to tear. It also feels almost exactly like paper but will be better since it will last up to 10 years.

Upsurge for Cattle's at six months—nears £1m

RECORD RESULTS are on the cards at Cattle's Holdings for 1983. In the first half profit before tax has shot up from £507,000 to £922,000, and the directors are expecting seasonal influences to favour the current six months. The group's two principal activities are the provision of financial services and retail trading and merchandising.

The directors state that the anticipated benefits from lower interest charges have helped, and they are hopeful that there will be no increases in the remainder of the year. Overall, they know "there is scope for even further improvement."

Turnover for the half year came to £35.4m, against £34.7m. The profit was struck after £48,000 (£32,000) for the employee share incentive scheme allocation. Available profit moved up from £388,000 to £646,000, after tax £369,000 (£219,000) and this time a £93,000 profit on the sale of surplus properties. Shareholders benefit with the interim dividend going up from the equivalent of 0.48p to 0.7p net.

CIB Insurance Brokers was unable to match last year's figures, but there were very encouraging signs at Ewbanks, Mackill and Co. and Parkhill Travel.

Although the problem of slow paying accounts remains, Cattle's believes that the situation is "firmly under control." Nevertheless the charge against profits is a significant cost factor

However, not all areas of the group were up to expectation. While Shopacheck Financial Services produced excellent results, both Cattle's Holdings Finance and Roseby's disappointed.

Efforts in reducing overhead expenses in the hire purchase division have not yet produced the anticipated return.

Vectis Stone

The directors of the Vectis Stone Group have decided to change the accounting year end, and those of its subsidiaries, from September 30 to December 31. The change will occur in the current year, 1983.

BP makes progress in second quarter

FOR THE second quarter of 1983 the British Petroleum Company has pulled back some of the ground lost earlier. Net income for the period, after tax and minorities, has increased from £160m to £219m.

This wipes out the £17m reduction shown over the first three months, and leaves a rise of £42m to £293m for the first half of the year. This is equal to earnings of 16.1p, compared with 13.8p a year ago, and shareholders are to receive a step up in their interim dividend from 6.25p to 7p net.

On a replacement cost basis, after adjusting for current cost of sales less minorities, net income for the second quarter came out at £283m (£149m) and for the half year at £484m (£251m), and on a current cost basis the second quarter produced £163m (£55m) and the half year £193m (£61m).

In the second quarter the improved results compared with the first arose primarily within oil trading. North Sea production activities together with the group's share of income from Sohio continued to be the major contributors to profits. Chemical losses continued at the reduced level seen in the first quarter.

Capital expenditure for the half year was almost the same at £1.63bn. BP Exploration's expenditure on development of production factilities fell following completion of the Magnus platform whereas Sohio's expenditure increased as a result of the $364 acquisition of leases in the Gulf of Mexico. Expenditure was funded internally.

Operating profit for the second quarter from oil and gas exploration and production activities was £249m compared with £303m in the first. Profitability was lower following the reduction in crude oil reference prices during March; in addition exploration expenditure written off in the second quarter increased to £64m compared with £41m in the first.

The group's share of production from the North Sea averaged 487,000 barrels per day, little change from the first quarter of 1983.

The Forties Delta platform which recently suffered a fire is now back in production and there will be no impact on output from the field. The Magnus field came on stream on August 14 and is currently producing at some 70,000 barrels per day. Plateau production of 120,000 barrels is expected to be reached at around the end of 1983. Following the award of licences in China drilling of the first exploration well is likely to begin in the fourth quarter 1983.

The oil trading result on the replacement cost basis for the second quarter showed a significant improvement over the first and the comparable periods of 1982. Following the OPEC price reductions during March, markets stabilised and, notwithstanding the strength of the dollar, margins were generally maintained.

Results continued to benefit from the lower level of costs following closure of refinery units in Europe and the continuing programme to rationalise and upgrade marketing and distribution networks. The contrast between the first and second quarters was magnified by foreign exchange effects; losses were incurred in the first quarter while the second quarter included comparatively small gains.

In markets outside Europe oil trading results for the second quarter generally showed substantial improvement. In Europe the picture was more mixed with results in France showing some decline, balanced by improvements in the UK and Germany.

Increased demand for bulk petrochemicals and the perceptibly firmer prices seen in the first quarter were maintained in the second. Losses for the two quarters were consequently similar, and the replacement cost loss of £33m for the half-year showed some improvement from the very depressed £78m in the first half of 1982.

Sohio's contribution to profit on the historical cost basis was £148m compared with £113m in the first quarter. The total of £261m for the half-year was slightly below the comparative of £275m. Sohio's share of production of Alaskan crude for the quarter averaged 670,000 barrels per day, inclusive of royalty oil.

Although average crude oil prices were somewhat lower than in the first quarter the effect was more than offset by a recovery in refining and marketing margins.

	1983 £m	1982 £m
Turnover	15,529	14,218
Sales cost	11,452	10,377
Production taxes	1,177	1,269
Gross profit	2,900	2,572
Distribution, admin.	1,491	1,330
Exploration expend.	258	240
Other income	307	362
Operating profit	†1,458	1,364
Exploration, prodn.	552	499
Oil trading	108	*139
Chemical losses	33	78
Minerals losses	8	17
Coal	4	1
Nutrition	14	9
Others	*4	20
Interest paid	305	357
Profit before tax	1,153	1,007
Taxation	627	517
Minorities	233	239
Available	293	251

* Loss. † BP group £833m (£295m) and Sohio £1,062m (£1,079m), less cost of sales adjustment £237m (£10m).

See Lex

9% first-half increase for Cadbury Schweppes

REAL AND consistent progress is expected in 1983 by Cadbury Schweppes, the confectionery, food and drink giant. Group sales for the first half are ahead by 16.2 per cent and profits before tax by 9.1 per cent; and the interim dividend is lifted from 1.4p to 1.5p net.

Sir Adrian Cadbury, the chairman, says the final outcome for the year will depend on sales for the last quarter, but he is confident.

Reflecting growth in all regions sales for the period reached £762.7m (£856.5m), and the resultant pre-tax profit came to £33.5m (£30.7m). Interest charges rose from £7m to £11.6m.

After tax £13.5m (£10.9m) and minorities £2.6m (£2.1m), the net attributable profit was £17.4m (£17.7m). Earnings are shown at 3.9p (3.99p) net and at 6.49p (6.01p) pre-tax. For the whole of 1982 turnover came to £1.58bn, trading profit to £104.8m and the pre-tax figure to £89.7m.

A split of the turnover and trading profit—which amounted to £42.5m (£35.8m)—shows in £m: UK £365.5 (£346.3) and £21.7 (£19.8); Europe £99.8 (£78) and £3.6 (same); America £162 (£113.6) and £5.1 (£2.4); Australia £84.7 (£77.4) and £8 (£6.3); other overseas £50.7 (41.2) and £4.1m (£3.7m).

Sir Adrian says that in the first half the group continued its investment in improving

Sir Adrian Cadbury, chairman of Cadbury Schweppes

operating efficiencies and in effective selling and marketing. Although increasing the cash flow involves a short-term rise in borrowings, the investment priorities are kept under careful review, while maintaining the policy of investment in the long-term strength of the business.

Trading profit showed an overall improvement in margins with a well-based recovery in the UK from 5.7 per cent of sales in 1982 to 5.9 per cent this year.

The tea and foods division led the recovery and achieved excellent results in a difficult market.

Improved margins in the UK were attained by continuing cost reductions. Consequently, trading profit in the home market was 9.6 per cent up.

Contribution of the overseas businesses has increased materially with the American region justifying the priority given to investment and growth in North America by more than doubling its trading profit.

The Australian company maintained its outstanding record with trading profit 27 per cent higher. The main advance in the trading profit of other overseas companies came from South Africa which also increased by 27 per cent. The European region held its trading profit—with good returns from recent acquisitions in France and Spain and continuing investment in the development of the German market.

Mr Basil Collins, deputy chairman and chief executive, comes to retirement at the end of this year. He will be succeeded as deputy chairman by Mr Robert Henderson and as chief executive by Mr Dominic Cadbury. The handover will take place as planned between now and the end of the year thereby ensuring the uninterrupted growth of the business in 1984.

See Lex

Flextech to join the USM

By Dominic Lawson

Flextech, a holding company with direct and indirect investments in energy related industries is shortly to announced its intention of coming to the Unlisted Securities Market. Currently the shares are dealt with under Rule 163 (2) (a).

It is envisaged that about £5m will be raised by an underwritten offer to the public, though it has not yet been decided whether a fixed price or tender offer would be more appropriate.

In the year to May Flextech made record pre-tax profits of £1,177,752, a considerable advance on the previous year's figure of £711,108.

Cambridge Electronic ahead

AN INCREASE of £843,000 in pre-tax profits to £3.95m has been shown by Cambridge Electronic Industries for the six months to the end of June 1983. The net interim dividend of this maker of electronic components has been lifted from 1.5p to 1.8p.

Earnings per 25p share are shown as rising from 5.9p to 7.1p. In the last full year a final of 3.5p was also paid from pre-tax profits of £7.51m.

Turnover increased by 18 per cent from £39.7m to £50.1m if figures for the Elec-Trol acquisition in 1982 are excluded.

Increased activity was a feature in all sectors, say the directors, with specialist engineering, in particular, benefiting from a substantial export order.

Electronic and electrical components and specialist engineering sectors show satisfactory performances, with the improved demand converted into increased profits. Defence and electronic systems achieved substantially the same profit as 1982 partly as a result of an uneven pattern of business in this period.

At the trading level profits increased from £2.79m to £3.91m. Tax took £1.24m (£856,000) and the attributable balance emerged ahead from £2.12m to £2.56m.

Philips Electronic and Associated Industries holds 26 per cent of ordinary shares.

● comment

The results from Cambridge Electronic are not as disappointing as the market seems to think. Though the figures for the first half are below most predictions there are no real structural problems involved and the company still seem set to achieve the £9.5m figure, pre-tax, that most analysts expect for the full year. There were problems in the timing of deliveries in both the electrical components and the defence and electronic systems divisions, which will be made up in the second half. Moreover the net interest position is weaker: the company have just purchased Elec-Trol in the U.S. for around £3.5m, and were forced to borrow in the U.S. money markets, while £1m has been repaid to Philips. In the long term the company has some very bright areas—both in optical fibre connectors and in export orders for the military "Chemical Agent Monitor" device. The shares closed 10p down yesterday at 263p, where the prospective fully taxed p/e ratio is around 20.

Micro Business leaps 130%

AS INDICATED at the annual meeting of Micro Business Systems last May, the directors point out that the company has traded particularly well in the six months to June 30 1983. Pre-tax profits rose sharply by more than 130 per cent from £353,000 to £814,000, which is greater than the profits for the whole of the last full year.

Trading continues significantly above budgeted levels, say the directors, and they are confident of a further material increase in profits at year-end.

An interim dividend of 1p net is being recommended for this USM stock—in the previous year a single payment of 1p was made. Earnings per 10p share are shown as almost doubling from 6.7p to 12.5p. A one-for-one scrip is proposed.

At the end of the last full year the directors said the group had a projected sales turnover of more than £15m

For the period under review the directors say that the establishment of the MBS personal computer division has proved to be very successful and has shown a considerable profit in its first trading period.

Turnover increased from £2.71m to £6.76m. A strong cash flow coupled with bank and other facilities helped increase the rental portfolio in line with demand

● comment

How long can a company continue to double its pre-tax profits? On the basis of these interim figures MBS looks set to achieve this target for the full year for the fourth succesive year. MBS, as the largest distributor in the UK of micro computer systems, has obviously benefited from the boom in micro computers, particularly from sales of the IBM mini computer which holds 50 per cent of the market. MBS sells and rents more of the IBM computer than IBM does itself. The results have also been boosted by the recent trend by large organisations to purchase their computer systems centrally which forces them to deal with a big dealer like MBS with its nationwide network. The third factor involved in the figures is the continued buoyancy of the after sales training and maintenance division, MBS Engineering. The longer term question is how long will the boom in micro computers last? More immediately, though, the second half should see pre-tax profits of £1.8m. The shares closed 5p up yesterday at 475p. On a nil tax charge this gives a prospective p/e ratio of 18.

Metal Closures has slight increase at interim stage

A SLIGHT increase of £15,000 to £3.03m in pre-tax profits is reported by Metal Closures Group for the half year to June 30 1983. Turnover of this West Midlands manufacturer of metal and plastic products—it also has interests in the construction of conveying systems and related equipment principally for the packaging industry—was also little changed at £38.51m compared with £38.36m.

The directors say that, in the context of the depressed state of the packaging industry during the period under review, the group has performed creditably and has maintained a relatively high platform of profitability.

They add that it was only in the last few weeks of the half year that there emerged any indication of an increase in UK demand from the previous low level.

The rationalisation effected at Techno, coupled with an improvement in the recent level of inquiries, will give that company an opportunity to return to profitability in the second half of the year.

In the meantime, all the group's overseas interests continue to perform well and to make a significant contribution to profits.

After first-half tax of £1.2m (£994,000) and minorities of £251,000 (£231,000), attributable profits came out at £1.58m compared with £1.79m.

The interim dividend is unchanged at 2.2p and absorbs £465,000. Earnings per 25p share were lower at 7.5p against 8.4p.

● comment

Metal Closures Group is another West Midlands-based group which has come stolidly through the recession, cutting back as demand has continued to fall until it has reached a point now when it can only watch and wait. It has seen some promising uplift in demand related to the good summer weather—it makes metal and plastic products for packaging—but has been disappointed often enough before not to read too much into it. Techno, which relies on the even more hesitant upturn in demand for capital goods (it makes conveying systems) might break even in the second half. But the cautious statement from the chairman was too gloomy for the market and the shares slipped 3p to 118p. If no unpleasant surprises lie ahead in the autumn, Metal Closures could make £6.5m for the year which puts the shares on a prospective fully taxed p/e of 10.

Morgan Crucible slips

THE RESULTS of the Morgan Crucible Company for the six months ended July 3, 1983, reveal that although profits declined from £4.44m, to £4.26m at the pre-tax level they were substantially ahead of those reported for the latter part of 1982, even disregarding the exceptional reorganisation and redundancy costs that had to be borne last autumn.

Regarding current trading Sir James Spooner, group chairman, says the acceleration in most sectors of the U.S. economy is encouraging, but recovery in the UK and Europe is patchy. He adds that other parts of the world, except the Far East, still have to emerge from the recession but the directors do not anticipate a recurrence of the downturn experienced last year—pre-tax profits for the 12 months totalled £4.72m.

Meanwhile, the net interim dividend is being held at 3.5p—a final of 4p was paid for 1982.

Turnover for the opening six months improved from £76.33m to £78.82m and trading profits totalled £6.53m, compared with £7m—the group is an international manufacturer of components and materials for industry.

Compared with last time's figures sales volume in real terms was reduced, reflecting the recession in group businesses in South Africa, South America, Australia and the Far East. There was little, or no, volume increase in the UK or European operations to offset this.

First-half pre-tax profits were struck after deducting redundancy and reorganisation costs of £379,000 (£411,000), net finance charges of £2.31m (£2.6m) and investment income of £33,000 (£31,000).

Earnings per 25p share emerged at 4.7p (5.5p). Trading margin was 8.3 per cent (9.2 per cent).

J & J Makin moves ahead to £945,000

A considerable improvement has been shown by J. and J. Makin for the year to the end of March 1983, say the directors, with pre-tax profits up from £641,000 to £945,000, although they point out that profits are still below the levels of some earlier years.

The net final dividend has been held at 2p which repeats the total at 3p. Earnings per 25p share are shown as moving ahead sharply from 18.68p to 30.28p.

Profits for the first half of 1983-84 should be "fairly satisfactory," say the directors, and should improve on the first half of 1982-83.

At the halfway stage pre-tax profits increased from £264,000 to £359,000 and the directors predicted that results for the second half would show a further improvement.

For the full-year turnover of this paper and metal foil manufacturer rose from £18.5m to £19.92m.

Trading profits moved up from £553,000 to £848,000 to which investment and other income added £159,000, compared with £173,000. Associate losses were reduced from £85,000 to £62,000.

Tax came to £448,000, against £334,000

BVI slightly higher at halfway stage

Slightly higher taxable profits at £155,000 against £152,000 have been made by British Vending Industries for the first six months of 1983. The company manufactures powdered vending ingredients and markets catering and medical disposables.

Turnover for the period was up from a restated £9.52m to £9.62m but trading profits fell £9,000 to £167,000. Pre-tax results were struck after interest of £12,000 (£24,000).

Earnings per share are given as 1.1p (0.97p). Tax change was £61,000 (£70,000). The net interim dividend has been held at 0.35p.

Nestlé Holdings (UK) holds 29.9 per cent of ordinary shares.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Arrow Chemicals ...int	0.5	—	—	—	1
British Petroleum ...int	7	Nov 17	6.25	—	20.25
British Vending ......int	0.35	Nov 1	0.35	—	0.7
Cadbury Schweppes int	1.5	Oct 24	1.4	—	4.9
Cambridge Elec Inds int	1.8	Nov 4	1.5	—	5
Cattle's ....int	*0.7*	*Oct 14*	*0.48**	—	*1.28**
Charterhouse Grp ...int	2.03	Nov 3	1.93	—	5.18
Continental Microwave‡	5	—	—	7	—
East of Scotland	1.35	—	1.35	2	1.85§
J. and J. Makin	2	—	2	3	3
Metal Closures ....int	2.2	Nov 1	2.2	—	5.7
Micro Business‡ ......int	*1*	*Jan*	—	—	*1*
Morgan Crucible ......int	3.5	Jan 3	3.5	—	7.5
Noble and Lund ......int	Nil	—	0.18	—	0.35

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 16 months.

UK COMPANY NEWS

Charterhouse up 18.5% midway

FOR THE first six months of 1983 the Charterhouse Group returned profits of £11.61m at the pre-tax level, an increase of 18.5 per cent over the £9.8m reported for the same period last year, and the net interim dividend is being stepped up from 1.925p to 2.025p per 25p share.

Many of the group's operating activities are continuing to do well and the directors, headed by Mr G. N. Mobbs, the chairman, expect results for the full year to at least match the £22.86m achieved for 1982.

Profits before interest charges of this investment and banking group advanced by £1.99m to £16.33m for the six months. Development capital activities performed well with particularly good results in the U.S.

The results of the manufacturing and services subsidiaries were slightly lower, though some companies turned in improved figures.

The wholly-owned merchant banking subsidiary, Charterhouse Japhet, increased its disclosed profit (after transfer to inner reserve) to £3.1m.

No figure is shown for oil exploration and production for the opening half following the reduction in the group's holding in Charterhouse Petroleum from 48.4 per cent to 19.5 per cent in September last year. Dividends received since that date were included in services.

On June 31 this year the group sold a further part of its holding in Charterhouse Petroleum, reducing its stake to 12.5 per cent. The profit on the sale, less tax, has been dealt with as an extraordinary item.

Interest charges for the half year accounted for £4.73m, compared with £4.55m. Net profits emerged at £8.23m (£4.95m) following a substantially reduced tax charge of £3.38m, against £4.85m previously.

Attributable profits came through at £9.48m (£5.82m) after deducting minorities of £568,000 (£228,000) and adding a £444,000 (£460,000) currency gain and extraordinary profits of £1.38m (£635,000).

● comment

The big jump in profits from Charterhouse's development activities arose mainly from realisations on investments in Dreyer's Grand Ice Cream and Paco Pharmaceuticals in the U.S. But the uncertainty as to when investments will be realised disturbs the quality of earnings in Charterhouse. The second half, for example, will not turn in another £9m profits from development activities. But the group is confident that there is a sound enough range of investments to ensure a steady stream of income from realisations year on year. The manufacturing division continues to be hit by the disruption to exports from Newage to the Middle East and Africa (it makes generators, gearboxes and axles) with little sign of improvement. Services suffered from the poor results from 36 per cent owned Spring Grove, presently being fought over by Pritchards and Sunlight. But these weaknesses with the loss of some £3m from Charterhouse Petroleum, now only an associate, were more than compensated for by improvements from development capital and Charterhouse Japhet, the merchant bank arm, which has continued to pull in some good business following the successful Woolworth institutional buy-out. Charterhouse should make £26m for the year pre-tax. With its tax rate down considerably to around 30 per cent that puts the shares down 2p at 104p on a prospective p/e of 10 and gives a historic yield of 7.4 per cent.

Arrow Chemicals progressing steadily

HIGHER first half profits, payment of an interim dividend, and a forecast of higher profits for the second six months has been announced by Arrow Chemicals Holdings.

With all comparable figures restated, to exclude the company's subsidiary C.A.R.E., taxable profits for the 28 weeks to July 1 1983 are shown as rising from £133,000 to £186,000 on turnover up at £3.16m against £3.02m. Interest was £32,000 lower at £48,000.

At the last year end the company, after an absence of two years, made a return to the dividend list with a 1p payment and has followed this with an interim of 0.5p net.

Costs in the period included an extensive sales recruitment campaign in the UK and benefit of this will be reflected in the second half and beyond.

The company has purchased Emkem International, a small company specialising in marine and offshore cleaning markets, and the directors say that negotiations for the purchase of another company in the chemical field are progressing satisfactorily.

The attributable balance was £87,000 (£69,000) after tax of £99,000 (£59,000). The directors say that the group continues to progress steadily and increased profits are forecast for the second half.

● JOHN MOORE, CITY CORRESPONDENT, ANALYSES LLOYD'S OF LONDON RESULTS

Profits soar over 52% to record £263.8m

Lloyd's of London, Britain's club-like insurance community, yesterday reported its best-ever profit figures of £263.8m, a 52.5 per cent increase on the profitability in the last completed underwriting account.

As usual, Lloyd's has declared its results for an underwriting account which started three years ago and which has just been closed. The accounting method is designed to allow a better assessment of outstanding liabilities on insurance accounts within the market. The system also allows underwriting members of Lloyd's, who number 21,601, a means whereby they can defer their tax declarations on their underwriting profits, and a method of accounting which contributes to the overall tax advantages of Lloyd's membership.

The latest figures for Lloyd's are those relating to the 1980 underwriting account. The record result is below the expectations of the Association of Members of Lloyd's, formed of 1,000 members of the Lloyd's community, which carried out its own computer analysis of the latest returns this year based on a sample of the results of insurance syndicates in the market which amounted to around half of Lloyd's capacity. The Association estimated that Lloyd's would produce £316m in profits.

Lloyd's presented its latest figures in an improved form after lengthy negotiations with the Department of Trade and Industry. For the first time in Lloyd's history its latest figures have been returned to the Tade department in the same form as insurance companies.

It is possible, for the first time, to see how much Lloyd's sets aside in what has been described as a "glorified suspense account" for a possible rainy day. Lloyd's has been coy in the past about this figure, which is described as a "reinsurance to close" item, an amount set aside and rolled over into the next underwriting account as a provision against outstanding liabilities.

The amount rolled over in the reinsurance to close item into the 1980 underwriting account was £1.79bn, or nearly half the total premium volume of £3.65bn reported by Lloyd's. Before allowing for the reinsurance to close item, the underlying premium volume stood at £1.86m.

Lloyd's is adjusting the reinsurance to close item to even higher levels to take account of possible pent up claims arising on asbestosis risks. The reinsurance to close item for the 1980 underwriting account is set at £2.1bn compared with £1.6bn for 1979, a 32 per cent increase. That increase in reinsurances is running at a faster rate than claims.

The reinsurance to close item is a subjective analysis made by underwriters. Auditors at Lloyd's do not apply "true and fair" accounting standards to their consideration of the reinsurance to close so the assessment can only be regarded as largely guesswork.

On the trading front yesterday's results at Lloyd's were accompanied by the usual pessimistic warnings from the market's specialists. The marine market, which reported an underwriting profit of £38.6m and investment income of £95.3m on ships damage and liability business, complained that while the gross registered tonnage of shipping lost was falling the insured values were higher.

Even so, Lloyd's is in an enviable position. Roughly 20 per cent of the world's marine insurance premiums come into the market. Another 20 per cent of the marine insurance market's business is reckoned to be accounted for by London insurance companies. Lloyd's and the London companies work closely together to ensure that rates are held so that the price structure withstands whatever competitive pressures are around.

In the non-marine market, losses on general liability businesses soared from £35.7m to £118.7m on underwriting while investment income and appreciation of £114.2m was not enough to offset the losses.

Huge claims could hit Lloyd's on asbestosis related risks and many syndicates have taken the opportunity to reserve heavily while the rest of the market enjoyed a good underwriting year. Lloyd's heavy losses arising from computer leasing insurance business seem to have been largely worked out of the system with total losses amounting to around $370m.

Aviation insurance business made losses for Lloyd's on underwriting of £25.1m although investment income and appreciation of £23.9m helped offset some of the worse effects on the performance. During 1980, 23 Western built commercial airliners, including two wide-bodied aircraft, were lost compared with 19 similar types of aircraft in 1979.

	1980	1979
Total—All Classes	£000	£000
Combined:		
Premiums	3,653,372	2,850,468
Underwriting profit	21,748	37,133
Investment income and appreciation	374,427	233,625
Accident & Health:		
Premiums	121,390	103,554
Underwriting profit	9,082	14,084
Investment income and appreciation	13,163	8,819
Motor Vehicle, Damage and Liability:		
Premiums	325,342	273,072
Underwriting profit	38,722	26,882
Investment income and appreciation	34,075	21,710
Aircraft, Damage and Liability; Ships, Damage and Liability; Goods in Transit:		
Premiums	1,568,384	1,184,428
Underwriting profit	64,082	18,324
Investment income and appreciation	147,548	92,839
Property Damage:		
Premiums	624,575	515,440
Underwriting profit	27,384	13,115
Investment income and appreciation	65,065	43,547
General Liability:		
Premiums	1,010,936	779,985
Underwriting loss	118,719	35,767
Investment income and appreciation	114,218	66,438
Pecuniary Loss:		
Premiums	694	1,207
Underwriting profit	32	45
Investment income and appreciation	72	78
Short Term Life:		
Premiums	2,051	1,766
Underwriting profit	585	450
Investment income and appreciation	286	194

Motor insurance business had its best-ever year in money terms with underwriting profits running at £38.7m compared with £26.9m. Yet underwriters were warning yesterday that rates would have to rise by about 7.5 per cent to 10 per cent.

"Motorists will know that their premiums have risen relatively little over the past year or two," said the chairman of Lloyd's Motor Underwriters' Association. "There are many occasions where motorists are paying less for their motor insurance as a result of fierce competition within our market."

Since two composite insurance companies are making or planning premium increases Lloyd's does not intend to miss an opportunity to increase rates.

See Lex

Fleming Claverhouse

Fleming Claverhouse says franked investment income for the six months to June 30 1983 was £510,000. Other income totalled £47,000, management expenses were £36,000 and tax accounted for £159,000. Stated earnings per share were 3.82p and net asset value per share was 244.7p.

Murray Trusts

In order to reduce their short-term borrowings, Murray Caledonian Investment Trust and Murray Glendevon Investment Trust have repaid loans of U.S $5m and $2m respectively for the value as at August 26 1983.

RESULTS AND ACCOUNTS IN BRIEF

DAEJAN HOLDINGS (property investment)—Results for the year to March 31, 1983 already known. Fixed assets £90.67m (£88.27m); net current assets £9.7m (£11.6m); shareholders' funds £60.79m (£58.61m); net asset value per share as at the end of March 1983 was 373p (380p). The company is a close company. Meeting: Connaught Rooms, London WC2 on September 19, at noon.

DISTILLERS COMPANY (brewer)—Results for year ended March 31 1983 already known. Group fixed assets £345.5m (£317.8m). Shareholders' funds £1.1bn (£1.02bn). Net current assets £869.2m (£812.4m). A statement of source and application of funds shows an increase in net liquid funds of £96.2m (£25.7m). Meeting, Edinburgh September 15, 12.15 pm.

G. M. FIRTH (HOLDINGS)—Results for year to March 31 1983 already known. Group fixed assets £2.94m (£0.56m): net current assets £0.65m (£1.9m); bank overdrafts—secured £3.28m (nil): shareholders' funds £5.17m (£2.68m): working capital decreased £2.82m (£26,000). Meeting, Wakefield, September 8, 11.45 am.

HOUSE PROPERTY COMPANY OF LONDON—Pre-tax profit £62,000 (£86,000) for the six months ended June 30, 1983. Tax £16,000 (£21,000), revaluation surplus released regarding investment property £44,000 (nil). Available surplus £90,000 (£65,000), equal to earnings of 3.5p (6.54p) before revaluation surplus and 7.99p (6.54p) after per 50p share. Net interim dividend 3p (1.5p). Directors anticipate final in excess of last year's 4.5p.

INDEPENDENT INVESTMENT COMPANY—Results for year to June 30 1983 already known. Shareholders' funds £103.8m (£41.97m) including net unrealised appreciation £64.32m (£8.31m): Investments £104.11m (£42.39m) including overseas securities £90.89m (£32.19m): net current assets £488,000 (£344,000): increase in net liquid assets £157,000 (decrease £884,000). Meeting: Edinburgh, September 15, 12.15 pm.

NEW DARIEN OIL TRUST—Results for half year to July 31 1983: Revenue surplus £25,601 (£68,453), loan interest £12,758 (nil), tax £4,839 (£35,535), net surplus £7,904 (£32,918). Earnings per 25p share 0.08p (0.33p). Net asset values 86.1p (60.2p) and 77.4p (63.9p) adjusted for exercise in full of warrant rights.

PARAMBE (investment company)—For half year ended June 30, 1983: Profit £50,000 (£27,000) before tax £19,000 (£9,000). Gross investment income £36,000 (£36,000) and dealing income £44,000 (£21,000). Increase in dealing income reflects favourable stock market and greatly improved conditions in fine art and antiques markets. Earnings before extraordinary credit £4,000 (£13,000) being Sri Lanka compensation, were 0.69p (0.4p) per share. Interim dividend 0.35p (0.3p). Net asset value per share 35.1p (28p at end 1982).

ALEXANDER RUSSELL (Mineral extraction and related activities)—Results for the year to March 31 1983 already known. Fixed assets £11.28m (£7.6m); net current assets £426,828 (liabilities £554,220): shareholders' funds £7.16m (£5.45m): decrease in net liquid funds £1.98m (£0.28m): and decrease in working capital £2m (£0.37m). Meeting, Glasgow, September 9, at noon.

SEKERS INTERNATIONAL (maker of furnishing and upholstery fabrics)—Results for the year to the end of March 1983 reported on August 10. Fixed assets £3.97m (£3.4m). Net current assets £2.11m (£2.93m). Shareholders' funds £4.77m (£4.72m). Decrease in working capital £405,000 (increase £130,000). Meeting: Connaught Rooms, Great Queen Street, WC, on September 15 at noon.

YOUGHAL CARPETS (HOLDINGS)—Results for 1982 already known. Shareholders' funds I£3.56m (I£5.088m): fixed assets £8.99m (£9.51m); current assets £18.96m (£22.34m): current liabilities £11.27m (£14.31m): net current assets £7.69m (£8.01m). So far this year, company is ahead of its planned trading results and targets, and board feels that unless some totally unforeseen event occurs, group should return to profit, however small, this year. Meeting: Cork, September 9, at noon.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: AGA, Alexanders Holdings, Church, Hamilton Oil Great Britain, Mellerware International, Westwood Dawes.

Finals: Consolidated Plantations, Sheldon Jones, Whitworth Electric.

FUTURE DATES

Interims—

Associated British Ports	Sept 15
Bestobel	Sept 8
Britannia Arrow	Sept 8
Desouter Brothers	Sept 8
Hoskins and Horton	Sept 27
Magnolia (Mouldings)	Sept 15
Matthews (Bernard)	Sept 13
Mersey Docks and Harbour	Sept 12
Nationwide Leisure	Sept 5
Newarthill	Sept 22
Nichols (J. N.) (Vimto)	Sept 6
Ransomes Sims and Jefferies	Sept 19
Royal Dutch Petroleum	Sept 15
"Shell" Transport and Trading	Sept 15
W.W.	Sept 15
Woodward (H.)	Sept 8

Finals—

Palmerston Invest. Trust	Sept 5
Stewart Plastics	Sept 8
Zetters	Sept 7

AAG

Anglo American Gold Investment Company Limited

(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED AUGUST 31 1983

The following are the unaudited results of the company and its subsidiaries for the six months ended August 31 1983 together with the corresponding figures for the six months ended August 31 1982 and the year ended February 28 1983.

	Six months ended 31.8.83 R million	*Six months* ended 31.8.82 R million	Year ended 28.2.83 R million
Investment income	128.2	90.1	196.8
Interest earned and other income	3.7	5.9	11.7
	131.9	96.0	208.5
Deduct:			
Administration and other expenses, interest paid and prospecting expenses	5.5	5.0	8.4
Profit before taxation	126.4	91.0	200.1
Deduct:			
Taxation	1.1	1.3	3.8
Profit after taxation	125.3	89.7	196.3
Preference dividends	—	0.5	0.7
Profit attributable to ordinary shareholders	125.3	89.2	195.6
Ordinary dividends	109.8	79.0	188.8
Retained profit	15.5	10.2	6.8
Number of ordinary shares in issue	21 952 012	21 952 012	21 952 012
Earnings per share—cents	570.6	406.3	890.9
Dividends per share—cents			
—Interim	500.0	360.0	360.0
—Final	—	—	500.0

Particulars of the group's listed investments and the net asset value are as follows:

Listed investments	At 31.8.83 R million	At 31.8.82 R million	At 28.2.83 R million
Market value	3 567.0	2 187.8	2 946.6
Book value	265.5	252.3	265.5
Appreciation	3 301.5	1 935.5	2 681.1
Net asset value—cents per share	16 699	10 636	13 770

For and on behalf of the board
J. Ogilvie Thompson
G. W. H. Relly } Directors

INTERIM DIVIDEND

On September 1 1983 dividend No. 71 of 500 cents per share (1982: 360 cents) being the interim dividend for the year ending February 29 1984 was declared payable on October 21 1983 to shareholders registered in the books of the company at the close of business on September 16 1983 and to persons presenting coupon No. 71 marked "South Africa" detached from share warrants to bearer.

The transfer registers and registers of members will be closed from September 17 to September 30 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about October 20 1983. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on September 19 1983 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries on or before September 16 1983.

The effective rate of non-resident shareholders' tax is 14.9951 per cent.

The dividend is payable subject to conditions which can be inspected at the Head and London offices of the company and at the offices of the company's transfer secretaries, Consolidated Share Registrars Limited, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001, P.O. Box 61051, Marshalltown 2107 and Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

Holders of share warrants to bearer are notified that the dividend is payable on or after October 21 1983 upon presentation of coupon No. 71 (marked "South Africa") only at the offices of Barclays National Bank Limited, Stock Exchange Branch, Diagonal Street, Johannesburg 2001, South Africa — Union Bank of Switzerland, Bahnhofstrasse 45, 8021 Zurich, Switzerland — Credit du Nord, 6 and 8 Boulevard Haussmann, 75009 Paris, France and Banque Bruxelles Lambert, 24 Avenue Marnix, 1050 Brussels, Belgium. Coupons must be left at least four clear days for examination.

Proceeds of dividends in respect of coupons marked "South Africa" may, at the request of the depositors, be converted through an authorised dealer in exchange in the Republic of South Africa, into any currency. The effective rate of exchange for conversion into any such currency will be that prevailing at the time the proceeds of the dividends are deposited with the authorised dealer in exchange.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: W. Q. Nicol
Divisional Secretary

Head Office:
44 Main Street
Johannesburg 2001
September 2 1983

London Office:
40 Holborn Viaduct
London EC1P 1AJ

ZAMBIA COPPER INVESTMENTS LIMITED

(Incorporated in Bermuda)

RESULTS FOR THE YEAR ENDED JUNE 30, 1983

The following are the audited results of the Corporation and its subsidiaries for the year ended June 30, 1983 which should be read in conjunction with the accompanying notes.

	Notes	1983 US$000's	1982 US$000's
Revenues:			
Dividend income	2	55	2,667
Interest and other income		2,890	2,487
		2,945	5,154
Expenses:			
Administration		479	425
Exchange loss		1,025	2,312
		1,504	2,737
Earnings before taxes		1,441	2,417
Foreign taxes		280	872
Earnings before extraordinary items		1,161	1,545
Extraordinary items (deficit)	3 & 4	(6,160)	(101,045)
Net loss		(4,999)	(99,500)
Retained earnings at beginning of year		5,059	3,514
		60	(95,986)
Transfer from contributed surplus/share premium	6	6,160	101,045
Retained earnings at end of year		6,220	5,059

Notes:

1. The Corporation holds a 27.3% interest in Zambia Consolidated Copper Mines Limited (ZCCM).
2. No dividends from ZCCM were declared or externalised from Zambia during the period under review and as at June 30, 1983, the kwacha equivalent, net of withholding taxes, of approximately US$5.2 million of dividend income remained blocked in Zambia.
3. The deficit on extraordinary items of US$6,160,000 arose principally as a result of the official devaluations of the Zimbabwean dollar and Zambian kwacha in December 1982 and January 1983 respectively. The extraordinary item in the prior year principally related to a provision against a possible permanent diminution in the value of the investment in ZCCM.
4. In October 1979, this Corporation granted De Beers Consolidated Mines Limited (De Beers) a fixed charge over all its assets as security for certain contingent liabilities undertaken by De Beers at that time in respect of Botswana RST Limited and BCL Limited (BCL). In June 1982, the financial structure of BCL was substantially reorganised and, as a result, certain of these contingent liabilities crystallised and it is anticipated that others will do so in the future, although the amounts thereof cannot be reasonably estimated. In consequence, at June 30, 1983, this Corporation was obliged to pay to De Beers an amount of US$541,000 of which US$521,000 has been determined as irrecoverable and treated as an extraordinary item. As at June 30, 1983, the contingent liabilities, excluding the provision for the payment of interest on such amounts, amounted to the equivalent of US$13,986,000.
5. In the light of the abovementioned circumstances, the directors have decided not to declare a dividend in respect of the financial year ended June 30, 1983.
6. *Subject to the approval of members at the forthcoming annual general meeting, the deficit on extraordinary* items amounting to US$6,160,000 has been covered by a transfer from contributed surplus.
7. The summarised results of ZCCM for the year ended March 31, 1983 are given below. The 1982 comparatives have been restated for changes in accounting policies.

	1983	*1982*
Production (tonnes):		
Copper	575,518	591,853
Cobalt	2,212	2,686
Lead and zinc	54,612	47,513
Sales (tonnes):		
Copper	588,304	569,995
Cobalt	3,400	2,341
Lead and zinc	53,349	44,800
Average proceeds (kwacha per tonne):		
Copper	1,475	1,522
Cobalt	14,656	24,904
Lead and zinc	669	729
Total sales (millions of kwacha)	973.1	977.1
Net loss (millions of kwacha)	127.5	144.4

8. The annual report at June 30, 1983 will be posted to shareholders on September 26, 1983.

Pembroke, Bermuda

September 2, 1983

BIDS AND DEALS

CIGNA's £80m deal for Crusader is finalised

THE acquisition of Crusader Insurance by the U.S. CIGNA Corporation for a sum of £80.6m has now been completed.

Crusader was 75 per cent owned by C. T. Bowring and Company, a subsidiary of Marsh and McLennan, and 25 per cent by Fireman's Fund, a subsidiary of the American Express Company. The sale concludes one major phase in the plans of Marsh and McLennan to divest its underwriting activities.

Crusader is primarily a life and pension company with a growing involvement in general insurance business. Life business accounts for around 70 per cent of its activities, with life funds standing at £283m at the end of 1982 and life premium income last year of £59m.

The company's non-life business is mostly in the domestic sector, with earned premiums last year of £29m and non-life assets of £40m at the end of 1982. The company earlier this year announced its intention to expand its motor and motor-cycle insurance business.

CIGNA is a leading U.S. insurance and financial service group based in Philadelphia, created from the merger early in 1982 of Connecticut General Corporation and INA Corporation. Mr David W. Schrempf, president of CIGNA's international division said that the acquisition was part of the group's long-term strategic plan to expand its international operations.

CIGNA has direct operations in 48 countries including the UK, where its activities come under INA UK Holdings. But its UK insurance business is almost entirely direct commercial general insurance and reinsurance, with a UK premium income of £150m in 1982. Thus Crusader will neatly complement the existing UK operations, in particular giving CIGNA a presence in the UK life and pensions market.

SCOTTISH HERITABLE

Further to the announcement made on August 30 confirming the completion of the merger between Scottish Heritable and Claxton and Gardiand, the board of Scottish confirms that: arrangements have been completed whereby 1.124m ordinary of 25p each of Scottish held by C. and G. prior to the merger, and 909,375 new ordinary allotted to certain of the vendor shareholders of C and G have been placed in the market.

Vendor shareholders of C and G now own in aggregate 5,343,125 ordinary of Scottish (37.50 per cent of enlarged capital).

The following interests in excess of 5 per cent have been notified to the company. Mr R. E. Garland and family 2,654,125 ordinary (18.63 per cent). Mr K. Garland and family 1,921,875 ordinary (13.49 per cent).

Lewis renews Illingworth fight under same terms

BY CHARLES BATCHELOR

MR ALAN LEWIS, the Manchester businessman, yesterday launched a renewed bid for the troubled Yorkshire woollen textile group Illingworth Morris, valuing the company, one of the largest in its field, at just £4.5m.

Mr Lewis, who already owns a 48 per cent stake in the company best known for its Crombie cloths, was given the green light last month by the Monopolies and Mergers Commission to renew the bidding.

Despite the depth of the recession in the UK textile industry, which has seen Shipley-based Illingworth cut its workforce from 10,000 to 4,000 over the past few years, it still claims to be the largest woollen textile company in the world outside the U.S.

The renewed bid, which is being handled by merchant bankers Henry Ansbacher, is being made on the same terms as the original offer announced last October and consists of 14½p cash for each ordinary share and 10½p for each of the non-voting "A" ordinary shares.

Illingworth's directors advised shareholders for whom income is important to accept the offer, and those who want to share in the long term growth of the company to reject it.

Mr Lewis said there will be no resumption of dividend payments for several years until £12m worth of borrowing have been largely repaid and the company has built up its reserves.

He added: "It is going to be a long hard slog. I am not promising miracles but there are obvious areas we can improve We We cannot say that we are one of the largest textile companies in the world if we are not innovators and leaders."

Outlining his plans for Illingworth yesterday, Mr Lewis said that the company, which is largely a producer of cloth, would have to become more involved in making up clothes. It also plans to strengthen its marketing activities.

"The future for textiles is to be nearer the retail market," he added. "Even if Illingworth, Morris is successful and efficient, if it has to rely on someone two or three stages down the line who is not efficient this jeopardises its position with the customer."

Illingworth should make greater use of its highly regarded brand names by, for example, putting the Crombie label on a wider range of clothes, he said. There are also plans to sell or develop the company's unused factory space.

Mr Lewis is making his bid through his investment holding company, Abele, incorporated on the Isle of Man, but he plans to transfer his Illingworth holding to a UK company, Alcrafield Textiles.

The aim is to retain the public listing of Illingworth but if the owners of more than 90 per cent of the shares accept the offer Mr Lewis will be required to buy up the remainder.

Waddington attacks BPCC

BY DAVID DODWELL

John Waddington, the games and packaging group fighting a £17m bid from Mr Robert Maxwell's British Printing and Communications Corporation (BPCC), went on to the offensive was financially overstretched yesterday, claiming that BPCC and that confidence over development of its major Watford site is unjustified.

The salvo comes in the closing stages of a fiercely fought bid, in which BPCC is understood to have won acaceptances for its offer amounting to just over 40 per cent of Waddington's shares. The final closing date for the offer — which involves 13 BPCC shares for every 5 in Waddington—is next Wednesday.

John Waddington's financial advisors, Kleinwort Benson, yesterday accused BPCC of giving a "strong impression" that its Watford site redevelopment was about to give "a substantial cash inflow to BPCC."

BPCC has reached an agreement with Sainsbury's to lease the land for a Savacenta hypermarket. Planning permission has yet to be won, and BPCC has regularly insisted that it is confident permission will be forthcoming.

Kleinwort claimed that the development was unlikely to win planning permission. This view was confirmed by Watford Council yesterday: "The proposal is quite clearly contrary to the district plan and the county plan, one spokesman said. "The council has been against out-of-town-centre shopping complexes because of the detrimental effect on the town centre, and Mr Maxwell has been perfectly well aware of that fact."

A recent ppplication by Asda for an out of town shopping development was turned down by the council, and their decision was upheld when it went to appeal.

Mr Maxwell retorted yesterday that he was still confident planning permission would be won. He also pointed out that current cash flow forecasts did not include any income from the Odhams site.

He added that the real value of the Odhams site is in the transfer of £23m of current contracts from the Odhams plant to BPCC's nearby Sun print works.

Waddington shares slipped by 8p yesterday, to close at 240p. At the same time, BPCC shares strengthened by 2p to 110p.

Hawley chief wants more Cope

Mr Michael Ashcroft yesterday tendered for shares in Cope Allman, the packaging, leisure and engineering group, with the aim of establishing a "strategic" stake of 29.99 per cent in the company.

Using his industrial holding company, Hawley Group, Mr Ashcroft is offering a maximum price of 85p per share for up to 3.875m shares. This would lift his stake in Cope Allman from 20.18 per cent to 29.99 per cent —the highest holding he can have without mounting a full bid for the company.

The tender offer has come swiftly in the wake of an agreement with Mr Robert Maxwell's Hollis Bros and ESA to buy its 7.65 per cent stake in Cope Allman. Mr Ashcroft paid Hollis 72½p per share, amounting to a total of £2.12m.

Mr Ashcroft was at pains yesterday to make it clear that he had no plans to make any imminent bid for Cope Allman. He also emphasised that the ceiling price for the tender did not represent his estimate of the true value of Cope Allman — a full bid at 85p a share would amount to £33.6m — but merely "a premium price for a strategic stake."

Cope Allman successfully fought off a £23.7m bid from the Dowable Consortium in April this year. This consortium, which was formally dissolved on July 20, was headed by Mr David Wickins, chairman of British Car Auctions and Attwoods, included Mr Ashcroft.

Because of this, Hawley could not make a bid until May next year—12 months after the Dowable bid. In addition, if Mr Ashcroft wanted to make a full bid at a price lower than that paid under the tender offer, he would not be able to move until September next year.

Mr Louis Manson, chairman of Cope Allman, said yesterday: "We have been aware that we remain vulnerable to a bid. Both Mr Wickins and Mr Ashcroft continued to increase their stake in the company after the Dowable bid lapsed, so we were very conscious of the fact that they had not gone away."

Mr Wickins still holds a 13.6 per cent stake in Cope Allman, prompting the company to ask the Takeover Panel whether Mr Ashcroft and Mr Wickins ought not to be seen as acting in concert. The Panel has ruled that they do not. Only Mr Ashcroft has made fresh purchases since the consortium was dissolved.

Cope Allman's annual figures are due to be released a week on Monday—three days after the one-week tender offer lapses. It was therefore widely expected yesterday that the company would bring forward its release date.

Cope Allman's shares rose 2p on the day to close at 72p.

Mr Goldstone battles on

BY CLIVE WOLMAN

MR MICHAEL GOLDSTONE, who was fired as managing director of Ward and Goldstone, the wire and electrical accessories company, last month yesterday sent out a letter to company shareholders in which he claimed the company was close to exceeding its borrowing limit.

His letter also claims that the company accounts, relating to the disputed closure of the cables division, were "misleading." The figures, he suggests, overstated the division's trading losses in that they included non-recurring provisions for redundancy, bad debts and write-offs for plant and maintenance parts. The head office levies were unduly high, he adds.

"The actual figures resultant from trading bore little relationship to the figures reviewed and since published," the letter states.

The £7.5m provision for the closure of the cables division has reduced shareholders' funds to only £10.3m by the end of the last financial year to March. Mr Goldstone states that borrowings now amount to over 90 per cent of shareholders' funds.

Mr Goldstone also explains that he was dismissed by the board following his refusal to approve the Manchester company's accounts.

He was offered 12 weeks' salary in lieu of notice. It was in protest against the poor compensation terms offered to Mr Goldstone, who worked for the company for 22 years, that the company's stockbrokers Simon and Coates resigned.

Mr Goldstone ends his letter with an appeal to shareholders to oppose his removal from the board at the annual meeting on September 14.

BANK RETURN

	Wednesday August 31 1983	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	36,647,350	+ 1,484,948
Bankers Deposits	759,391,464	+ 170,769,526
Reserve and other Accounts	1,695,711,434	+ 57,898,208
	2,506,303,248	+ 230,152,679
Assets		
Government Securities	462,495,858	+ 81,170,000
Advances & other Accounts	863,059,854	— 18,311,199
Premises Equipment & other Secs.	1,176,071,533	+ 173,443,800
Notes	4,524,287	— 6,099,062
Coin	152,016	— 860
	2,506,303,248	+ 230,152,679
ISSUE DEPARTMENT		
Liabilities	£	£
Notes issued	11,610,000,000	+ 50,000,000
In Circulation	11,605,475,713	+ 56,099,062
In Banking Department	4,524,287	— 6,099,062
Assets		
Government Debt	11,015,100	—
Other Government Securities	5,777,175,333	+ 357,908,506
Other Securities	5,821,809,567	— 307,908,506
	11,610,000,000	+ 50,000,000

Gresham and AMEV integration complete

Gresham Life Assurance Society and AMEV Life Assurance, two UK life companies both owned by the major Dutch insurance conglomerate AMEV Group, have completed integrating their activities, an operation which has been carried out over four years. In future the two companies will operate as a single entity under a Gresham name, with AMEV Life changing its name to Gresham Unit Assurance from October 1 1983.

Gresham Life was founded in 1848 and operates in the traditional life and pensions field. It has strong connections with building societies and estate agents through its mortgage-related life products. AMEV Life was founded in 1974 and specialises in unit-linked business both through a direct sales force and through specialised financial planning companies. In future these sales outlets will market all Gresham life and pension products.

The new style company is launching a £100,000 advertising campaign through both the trade and national press to promote the company and its new and existing products.

Baraoora Tea bid talks

Baraoora Tea Holdings, which has tea estates in Bangladesh, announced yesterday that discussions are being held which might lead to an offer being made for the company. Its shares rose 27p to 140p putting a market value of £2.02m on the company.

Baraoora has three main shareholders: James Finlay, which acts as secretary and agent for a number of tea growers, with 29.3 per cent; Agno-Indonesian Corporation, which has tea and rubber estates in Indonesia and Kenya, with 21.1 per cent; and British Borneo Petroleum Syndicate, an investment holding group, with 14 per cent.

The company reported a more than doubled pre-tax profit of £556,041 in the year ended December 31 1982.

LIT OFFERS UNCONDITIONAL

The offers by the London Investment Trust for the British Industries and General Investment Trust have been declared unconditional in all respects.

The net asset value attributed to each existing deferred share in BIGIT as at August 22, was 242.2p and the terms of the offer for the deferred has been determined as 5.7 new ordinary shares in LIT for each BIGIT deferred. The cash alternative has been calculated as 42.5p per share.

The terms of the convertible stock scheme show a total of 670.5 new LIT ordinary shares for every £100 of the BIGIT convertible stock.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel §	9½%
Amro Bank	9½%	C. Hoare & Co. †	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd.	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	9½%
Bank Hapoalim BM	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co.	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd.	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered ‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd.	9½%
Cedar Holdings	10 %	Westpac Banking Corp.	9½%
■ Charterhouse Japhet	9½%	Whiteaway Laidlaw	10 %
Choulartons	10½%	Williams & Glyn's	9½%
Citibank Savings ¶	10½%	Wintrust Secs. Ltd.	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account= 9.15%. Effective annual rate= 9.54%.

UK COMPANY NEWS APPOINTMENTS

Amgold earns and pays more at half-way stage

BY KENNETH MARSTON, MINING EDITOR

THE Anglo American Corporation group's South African gold share investment arm, Anglo American Gold Investment ("Amgold"), reports an advance in net profits for the first half of the year to next February to R125.3m (£74.5m), or 571 cents per share. This compares with R89.2m a year ago and the 1982-1983 total of R195.6m.

	Six months ended 31.8.83 Rm	31.8.82 Rm
Investment income	128.2	90.1
Int. and other income	3.7	5.9
Making	131.9	96.0
Admin. expenses, int. paid and prospecting expenses	5.5	5.0
Profit before tax	126.4	91.0
Taxation	1.1	1.3
Profit after tax	125.3	89.7
Pref. divs.	—	0.5
Attributable	125.3	89.2
Ordinary divs.	109.8	79.0
Retained profit	15.5	10.2
Earnings per share (cents)	570.6	406.3
Interim div. (cents)	500.0	360.0
Net asset value (cents per share)	16,699	10,636

Best expectations are matched by the interim dividend which is raised to 500 cents (297p) from 360 cents last time when a final 500 cents followed.

Because of the time-lag between a rising gold price and the translation of this into mine profits and dividends subsequently received by a holding company, Amgold's *earnings* did not pick up until the second half of the year to last February. The total for that year of R195.6m compared with R246.3m in the previous 12 months.

Although the gold price has declined since February of this year, Amgold's investment income is still catching up with the previous rise. Chances are that this process will continue in the current half and the company may thus be able to restore the 1,000 cents' dividend total paid for 1981-82.

On this basis the shares at £83½ are on a potential yield *basis of just over 7 per cent.* This compares with just over 3 per cent currently offered by the Consolidated Gold Fields group's Gold Fields of South Africa (GFSA).

The latter recently announced a 33 per cent recovery in earnings to R175.8m for the full year to June 30 last. But the dividend total was held at 500 cents. Presumably GFSA's dividend in*come is still rising,* but the shares appear overpriced in relation to those ofAmgold.

The A$123.5m (£72.5m) share placing to Australians only, announced by Western Mining on Wednesday, has already been completed. The Australian mining group announces that Melbourne brokers E. L. and C. Baillieu and Potter Partners have advised that they have completed the placement of 27.5m shares at A$4.50 (equivalent to about 264p compared with last night's London price of 276p) with Autralian financial institu*tions. The shares will be* allotted on September 28.

Exploration news round-up

NOW visiting London Mr David Muller, chairman of Australia's Samantha group, says that drilling and feasibility studies on the Broad Arrow gold prospect near Kalgoorlie are expected to be completed by the end of next year.

These will show whether there is a viable open-pit mining proposition which could have gold values of around 3.5 grammes per tonne of ore and likely costs of some A$160 per ounce of gold. Some half-dozen other companies are also prospecting in the area, with the majors "sitting back and watching."

Samantha and its sister company, Samson, are testing another area at Higginsville, 50 miles to the south of Kambalda in Western Australia, where they have what Muller describes as "a very exciting prospect." As with all these Australian gold prospects, however, it is a question not so much of good drilling values but of how much ore is present.

* * *

Paringa Mining and Exploration says that drilling of the Hellyer prospect in Tasmania has cut base metal mineralisation similar to that at the nearby Que River mine. Paringa has a 10 per cent stake in the venture with Aberfoyle, as the manager, holding 90 per cent.

* * *

High grade but narrow width (thickness) gold shows are reported by Australian Consolidated Minerals from the Golden Crown prospect adjacent to the old Great Fingall gold mine in Western Australia. It is proposed to sink a 270-metre shaft at the property—or deepen the existing shaft—in order to test the potential of the gold-bearing vein at depth.

* * *

At Southern Cross in the Yilgarn goldfields of Western Australia Brunswick Oil is hoping that a new gold mining venture will be set up following the recent *drilling results from* the Golden Pig and Three Boys leases.

Mr Tony Rechner, chairman of Brunswick, says that Three Boys appears to have at least sufficient near-surface reserves to establish an open-cut mine. Latest drilling indicates an "exciting" underground potential and further drilling is planned both for Three Boys and Golden Pig.

* * *

Canada's irrepressible Mr Murray ("the Pez") Pezim is at it again, reports John Soganich from Toronto. As already reported, the Vancouver promoter, best known for his pioneering exploration work at the burgeoning Hemlo gold camp in north-western Ontario, has put together another gold exploration package.

This time it is at Lower Manitou Lake, in a joint venture between his Noxe Petroleum and Teck Corporation.

The new gold play is centred around an old gold prospect last drilled in the 1940s. Dr Norman Keevil Jr, president of Teck, *describes this search for* another Hemlo as: "It's a roll of the dice with a fair amount of upside potential, but it's still a roll of the dice."

Difficult times still for ZCI

NO dividends were declared in the year to June 30 by Zambia Consolidated Copper Mines (ZCCM) in which Zambia Copper Investments (ZCI) has a 27.3 per cent interest. Consequently ZCI income for the year was largely in the form of interest and other income.

This left net earnings before extraordinary items at US$1.16m (£773,000) compared with $1.55m a year ago. On the latest occasion there is an extraordinary debit resulting from devaluations of the Zimbabwe dollar and the *Zambia kwacha which leaves* a net loss for the year of $5m. No dividend is being paid.

In 1982 there was an extraordinary debit of $101m related to a provision against a possible permanent diminution in the value of the investment in ZCCM. This resulted in a net loss for that year of $99.5m. Some $5.2m of dividend income applicable to ZCI remains blocked in Zambia.

Cleveland mine

AT LONG last a trading profit is reported to have been made by Cleveland Potash, jointly-owned by Anglo American Corporation and Charter Consolidated, which operates the Boulby potash mine in Yorkshire.

In a letter to employees it is stated that a trading profit for the six months to June 30 has reflected improved market conditions coupled with the ability for the first time to offer specific grades of potash to customers.

Dowty chief confident of future growth

IN HIS annual statement with the report and accounts for 1982-83 Sir Robert Hunt, chairman of the Dowty Group, says that with the *uncertainties of* timing in the group's two major markets forecasting the outcome of the current year has never been more difficult.

He adds that directors' confidence in future growth is unshaken but that it may need longer than the balance of the year for the results to show through.

Sir Robert points out that the performance of the industrial division reflects more accurately the general state of the industrial economy in the world and is now showing some signs of improvement. He goes on to report that the other divisions are more closely influenced by highly specialised circumstances.

Although the directors are optimistic about the future of the aerospace and defence division and medium-term growth looks secure Sir Robert says it is too early to say whether *improved results will emerge* in the current year.

His statement reveals that in the mining sector the group will continue to spend heavily on advanced engineering for new products and productivity improvements since the directors have confidence in the longer term future of coal and the group's ability to retain a major share of the world market for *mining equipment.*

It adds that the electronic division, having made considerable progress in the past year following the launch of a number of new products to which others will be added, is set for "continuing progress."

As reported on August 15, group pre-tax profits for the year to end-*March 1983 declined from* £39.14m to £36.4m after taking account of redundancy and closure costs of £4.34m, compared with £1.34m.

Turnover for the year improved by £69.49m to £420.31m, with the overseas content exceeding home business for the first time and accounting for 53 per cent of the total. North America contributed 22 per cent.

A net increase in fixed and short-term assets of £20m and in working capital of £15m was largely self-financed by cash generated from operations. External borrowing, net of cash, rose by nearly £13m mainly to finance acquisitions during the year.

The accounts show that £42,000 compensation was paid for loss of office.

The annual meeting will be held in Cheltenham on September 29, at 11.30 am.

Hampton Trust dives into loss in second half

Hampton Trust, the UK property investor with overseas energy and gold interests, plunged sharply into the red in the *second six months* to March 31 1983 and finished the full year £28,514 in loss at the pre-tax level, compared with profits of £216,902 previously—mid-year profits were down from £110,379 to £74,198.

Sir Cecil Burney, group chairman, says the results were hit by a rental void at the principal UK property. He adds, however, that a "strong recovery" is *expected in 1983-84.*

At the retained level, the group returned profits of £66,985 (£201,071) after taking in a £94,677 profit on sale of a property realised.

As in previous years no dividend is declared. Group net assets at year-end totalled £3.63m, equivalent to 20.6p (20.8p) per 5p share.

Overseas production from the group's six oil and gas wells in Ohio commenced in January but no income has been credited in the year-end accounts. Revenue received since March 31 amounts to approximately £40,000.

Gold exploration programmes are continuing on the group's freehold locations in Western Australia.

Continental Microwave expects further growth

For the year to June 30 1983 Continental Microwave achieved a 23 per cent increase in pre-tax profits to £407,122 against £331,413.

As forecast at the interim stage the order and delivery schedules resulted in nearly all of the year's profit being earned in the second half. Profits for the first six months were £41,947 compared with £141,664.

Turnover for the 12 months was £1.16m higher at £3.81m, and at halfway it was £1.04m against £1.26m.

A final dividend of 5p is being paid making a total of 7p, some 2p higher than had been envisaged in the USM prospectus in April 1982. The company, based in Luton, is engaged in the manufacture of telecommunications, broadcast, defence electronics, and microwave equipment.

The company's recently *launched* new range of portable and fixed point to point microwave link systems has been well received. Orders have been completed or are in hand for many of the UK's independent television contractors as well as for broadcasting companies overseas. Work is continuing on MoD orders for naval communications systems and a number of new orders from overseas customers for telecommunications equipment have been received.

Continental's order book at June 30 was strong at £4.6m, and this further increased during July and August to £7m as a result of orders for new products.

The acquisition of RF Technology in the U.S. should be concluded in a matter of weeks and the directors are confident that this will be an important base from which to expand North American sales.

A good order book position coupled with the considerable benefits being derived from new manufacturing facilities lead the directors to expect further satisfactory progress in the current year.

Profit available for shareholders emerged at £405,000 (£324,801) after tax of £31,499 (£6,612), and extraordinary credits this time of £29,377. Earnings per 25p share are given as 36.54p (33.37p).

Improvement at East of Scotland

Pre-tax revenue of investment company East of Scotland Onshore edged ahead to £433,000 for the year to May 31 1983, an improvement of £14,000 over the figures reported for the preceeding 16 months.

Earnings emerged at 2.43p (2.32p) per 25p share and a final dividend of 1.35p lifts the net total to 2p, against 1.85p for 16 months.

Investment income totalled £418,000 (£343,000). The pre-tax results were struck after adding £98,000 (£152,000) deposit interest and deducting £84,000 (£77,000) management expenses. Tax charge was little changed at £190,000 (£187,000).

Net asset value per ordinary share has increased by 19.6 per cent since May 31 1982.

New chairman for Rockware Group

Mr Jim Craigie is retiring as chief executive of ROCKWARE GROUP. Mr Frank Davies will succeed him on September 14. Mr Davies has recently stepped down as chairman and managing director of Alcan's extrusion division, one of the three principal divisions in Alcan's UK operations.

★

Promotions to executive director at SCANDINAVIAN BANK include Mr Madan L. Mehta, Mr David Woodward and Mr R. W. John Woolfenden.

★

Following the retirement of Mr E. M. Asher, Mr D. S. Mitchell has been appointed company secretary of J. LYONS & CO. food division of Allied-Lyons, and *Mr P. H. L. Newton* becomes assistant secretary.

★

Mr Richard D. Brewster has been appointed chief executive and deputy chairman of DAVID S. SMITH (HOLDINGS). He was finance director of Giltspur, a subsidiary of Unigate.

★

Mr Gerald Hamilton has been appointed director and chief executive of FORTNUM AND MASON from October 3. He was managing director of the Welwyn department store. Mr L. Griffin, who agreed to join the Fortnum and Mason board for a limited period and has been general manager for the past two and a half years, will retire from October 1. The company is part of Associated British Foods.

★

Mr John S. Whyte has joined THE PLESSEY COMPANY as chairman of Plessey Telecommunications (International). He recently retired from British Telecom, where he was managing director — major systems and engineer in chief.

★

Mr George Helsby, chairman and chief executive of BURNETT & HALLAMSHIRE HOLDINGS, is resigning as a director of the company and its subsidiaries, due to continuing ill health. The resignation is effective from September 30. Mr Eric Grayson, currently deputy chairman, has been appointed chairman and chief executive.

★

Mr Donald C. Roth has been named chairman of MERRILL *LYNCH Europe-Middle East.* He was formerly executive vice-president of Merrill Lynch International Inc and chairman of Merrill Lynch International Banking Group. Mr Roth, who is

Mr Donald C. Roth, chairman of Merrill Lynch Europe/Middle East

based in London, will be responsible for all the company's business activity throughout *Europe and the Middle East.* Merrill Lynch Europe-Middle East is a unit of Merrill Lynch Capital Markets, global investment arm of Merrill Lynch and Co.

★

Mr Thomas J. Ryan has been named vice president of European operations for the M. W. KELLOGG CO., responsible for the London, Paris and Amsterdam operating companies of the worldwide engineering and construction subsidiary of Kellogg Rust Inc., one of the Signal companies. He will direct Kellogg's European operations from the Wembley headquarters of M. W. Kellogg Limited. Mr Ryan was vice chairman and chief executive officer of Associated Kellogg.

★

Mr Robin N. Singer, chairman and managing director of LESLIE & GODWIN (HOLDINGS), has resigned from November 1 to pursue his own business interests. Mr R. Topple has become chairman and managing director. Mr P. C. Methley has been appointed chairman of Leslie & Godwin and Mr D. J. D. McLeish has been appointed chairman of *Godwins.*

★

Mr Hans-Otto Thierbach has has been appointed a director of FOSECO MINSEP. He was a member of the board of managing directors of the Deutsche Bank from 1974-80, and remains an adviser. He is chairman of the supervisory boards of four companies based in Germany and the Netherlands, and is a direc*tor of Rothmans International.*

★

Lord Lovell-Davis has been appointed non-executive chairman of LEE COOPER LICENSING SERVICES. He succeeds Lord Marsh who was the company's first non-executive chairman.

★

Mr John W. Little has been appointed director of organisation development of the COMP-AIR GROUP. He joins from Fiat Auto (UK) where he was director of personnel.

★

Capt T. C. Mordaunt and Mr Mr G. A. Galley have joined the board of FALMOUTH CONTAINER TERMINAL.

★

Mr John Challans has been appointed sales director of THOMAS WILLIAM LENCH, Warley. He joined the company earlier this year as general manager of the group's Midlands distribution unit.

★

Mr R. C. Salmon joined JAMES CAPEL & CO on September 1.

★

Mr Michael J. Farebrother, formerly general manager of DUNLOP'S truck tyre division, has been appointed director, sales and marketing, for the company's Birmingham-based UK tyre division. In this new

Mr Mike Farebrother, marketing director of Dunlop's UK tyre division

position, which follows a restructuring of Dunlop's UK tyre operations, he will have responsibility for the car and truck sales divisions in replacement, original equipment and fleet markets, as well as the earth-mover tyre division.

★

Mr P. de Backer has been appointed chairman of SOLEX on the resignation of Mr G. L. Lawrence. Mr R. D. Baines has been appointed to the board.

★

G. MAUNSELL AND PARTNERS, consulting engineers, has appointed three new partners from October1: Mr R. A. Cochrane, Mr L. M. Elliss, and Mr A. Symmons. Mr Cochrane is already a director of Maunsell Consultants. He is at present resident partner of Maunsell Consultants Asia in Hong Kong. Mr Elliss was associate in charge of G. Maunsell and Partners' Essex office in Witham. Mr Symons was associate in charge of the firm's Welsh office in Swansea.

★

Mr Geoffrey Bowler has resigned from the chairmanship of THE BRITISH AVIATION INSURANCE COMPANY and Mr Buchan C. Marshall has been elected chairman. Mr Bowler will remain a member of the board.

★

Mr David Pope, lately managing director of Crescent Life, has moved to IMPERIAL LIFE to head a new marketing operation aimed primarily at the single premium investment sector of the broker market. He becomes broker director — investment services.

★

Ms Linda S. Marshall has been appointed a director of JOHNATHAN COURTNEY AND PARTNERS. She will have full control of the company's sales activities excluding the north west of England.

★

Mr Bruce Firth has been appointed managing director of cash and carry group BATLEYS OF YORKSHIRE.

★

Mr Peter Trend has joined J. H. MINET AND CO. and will take over responsibility for the bloodstock account.

★

DONINGTON PARK RACING announce that Mr Geoffrey Sheppard has been appointed a director from September 1. He was managing director of Alexander Duckham and Co. He is also a director of Kerax, and of Dewhurst and Partners.

★

Mr I. Ross has been appointed TSB SCOTLAND'S first treasurer designate. He was head of finance in the West of Scotland TSB.

CONTRACTS

£11m orders from BR

British Railways Board has placed contracts worth nearly £11m with five private sector companies. They are INTERNATIONAL COMPUTERS (£4m) for supply and installation of a total factory data and inquiry system within BREL; GEC TRACTION (£2.8m) for the supply of electrical power equip*ment for new Southern Region* inner suburban trains; BRUSH ELECTRICAL MACHINES (£2m) for the supply of electric train heating equipment; and PRACTICAL UNIFORM COMPANY and CWS (CONTRACTS) (£2m shared) for supply of uniform shirts and blouses.

★

GUNSON'S SORTEX has won an order worth over £100,000 for colour sorters from United Biscuits who produce KP brand processed nut products. The Sortex 1121, a bichromatic two-chute colour sorter, will be used by KP in its Rotherham operation to sort blanched peanuts.

★

UNIT CONSTRUCTION has won contracts in the North West, Scotland and Yorkshire totalling £3.4m. In Liverpool rehabilitation schemes worth a total of £1.5m will be carried out on the Sparrow Hall Estate and on the TSB Bank, Heathfield branch premises. Also in the North West, two contracts worth more than £1.3m have been won to erect 47 houses in Whitefield, Greater Manchester and 29 flats and a community centre in Heywood.

★

A further contract for Milton Keynes Development Corp has been awarded to JOHN MOWLEM AND CO. Known as Emerson Valley 3, it is valued at £1.1m. The contract is in three parts; a two-storey block of 34 sheltered housing units with a communal area linked to a warden's house, 8 three-bedroom houses for shared ownership and 9 two-bedroom bungalows for rent. All will be of traditional construction, for completion in November next year.

★

The Home Office has placed a contract worth over £2m with MULTITONE COMMUNICATION SYSTEMS, a subsidiary of Multitone Electronics, for the supply of radio paging equipment. It will operate an alert system for retained (volunteer) firemen who operate on a local basis. Equipment includes over 10,000 radio paging receivers and a large number of control units, to be distributed around the country.

★

BALFOUR BEATTY CONSTRUCTION, part of the BICC engineering group, has been awarded a £2.8m contract for a five-storey office and shop project at Moorfields in Liverpool City Centre. Construction will take up to 18 months and when completed the building will have a gross area of some 7,100 sq metres.

★

FUTURE TECHNOLOGY SYSTEMS has signed an exclusive marketing contract with British Telecom Merlin for supply of hardware for Modulas, a micro-computer system which provides office automation for the retail travel industry. Under the terms of the contract, worth £5m over the first two years, the Modulas system will be marketed, installed and maintained through the national sales and service organisation of BT Merlin, the corportion's business equipment supplier. With an entry price of £5,000 Modulas are claimed to be unique in offering fully integrated office automation functions, enabling travel agents to simply switch applications from ticketing, for example, to ledgers or word processing, without having to quit the system and reload.

MANAGEMENT

EDITED BY CHRISTOPHER LORENZ

CATERPILLAR Tractor has been hammered in the past two years by a series of blows that would have wrecked a weaker company. Far from crumbling under the strain, the group believes that it will emerge from its ordeal in sound financial shape, and with a radically improved costs structure.

"I am quite convinced that we will have a leaner—perhaps meaner — organisation than before we went into this economic downturn," says Lee Morgan, the company's chairman.

Based in Peoria, Illinois, Cat is the world's largest producer of earthmoving, construction and materials handling equipment, and is also a major force in the diesel engine business. Typically, it controls between 25 to 50 per cent of its major markets around the world, and it is roughly twice as big as its nearest rival, Komatsu of Japan.

Around the spring of last year, the company was counting on an upturn in demand in the second half of 1982, and built up its workload accordingly. Business dropped like a stone, and Cat's problems were exacerbated by the strength of the dollar against the yen, which gave a sharp edge to Komatsu in the international marketplace.

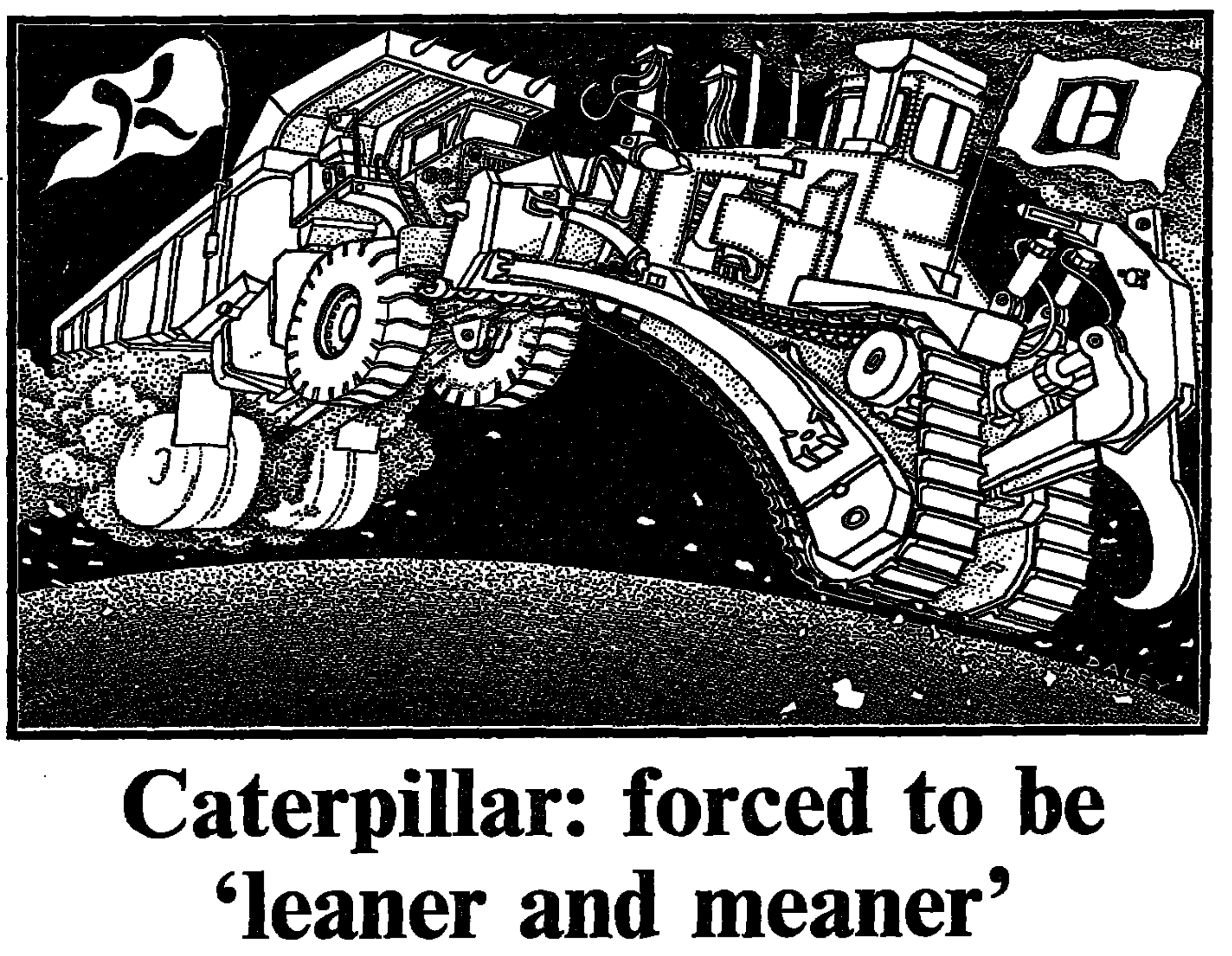
In a bid to improve its cost competitiveness, Cat squared up to the United Auto Workers' Union during last Autumn's labour contracr negotiations—and walked straight into a seven month strike, the longest in the union's history.

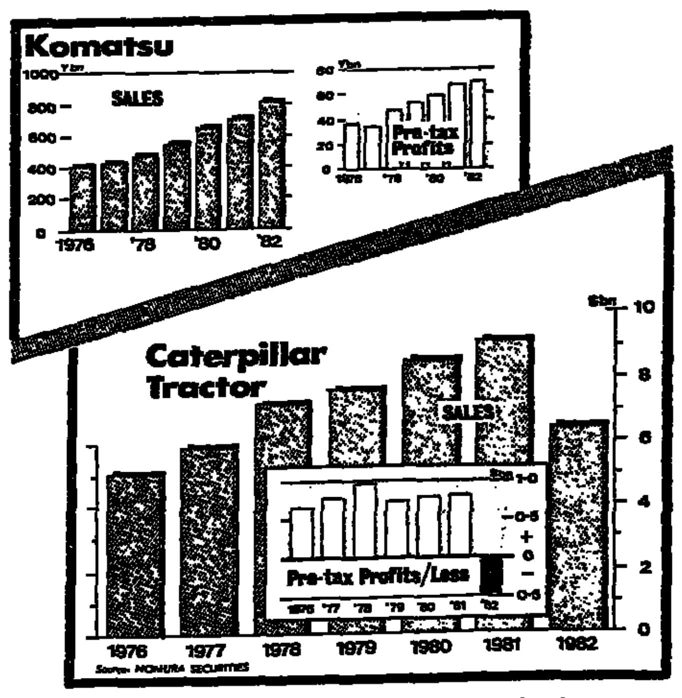
With sales sliding away, the company slipped into the red for the first time in 50 years, losing $180m during 1982. With its markets still under severe pressure, sales in the first six months of 1983 were less than half the level of two years earlier. Losses in the six months came to $264m after tax.

All this has had a big impact on a company which had been characterised in the past as self-confident and inbred. "It has been a very exciting experience, and in many ways a very rewarding one," says Morgan, with no hint of tongue in cheek.

According to David Sutliff, an analyst with Salomon Brothers, "The whole thing has been very good for Cat. It has been galvanised into broader actions than it would otherwise have taken."

The cost reductions have been substantial. The salaried workforce was cut by over 3,000—10 per cent—in 1982, and by a further 800 in the first six months of this year. Morgan says the company's so-called "period costs"—which include just about everything except direct labour—had been lowered by $240m between 1982 and 1983.





Caterpillar: forced to be 'leaner and meaner'

The U.S. earthmoving equipment giant has just announced the closure of one of its UK plants. Richard Lambert examines its worldwide drive to regain profitability

Worldwide employment in June totalled under 58,000, compared with nearly 86,000 at the end of 1981, and this month Cat announced its first ever major plant closure—a 1.1m square foot lift truck facility at Mentor, Ohio.

However, the company did not get all it had been hoping for from its new labour contract. The significance of the dispute was that Cat, unlike other groups which had asked for concessions from the unions, remained in good financial shape despite its losses. The company argued that if it was to remain successful over the long term, the gap between its costs and those of its international competitors would have tc be reduced.

Its wage costs, Cat said, were roughly twice those in Japan. As Komatsu built up its volume, it was beginning to match the productivity achieved by the U.S. company in its highly efficient plant.

In the end, the two sides compromised. The Union agreed to give up an automatic 3 per cent annual pay increase which had been part of the contract since the 1950s, as well as some paid holidays. In return, the company offered a profit-sharing scheme, improved unemployment benefits, and maintained cost of living protection.

According to union vice-president, Stephen Yokich, Cat had been prevented "from taking away the scores of gains the union had made over the past 34 years." In Morgan's view, "our goal was to contain cost increases, and I think we clearly achieved that."

Cat's efforts to hold down costs have not been limited to pay. It has also been working on improved manufacturing methods and lay-outs, tighter financial controls, and new relationships with its suppliers. Instead of relying on traditional sources, Morgan says "we are shopping the world more and more for commodities." The company has also set up a programme of supplier certification, whereby component makers which meet its standards become more accountable for quality control.

"There is no doubt in my mind that we have permanently lowered some of our overhead ratios," Morgan claims.

Cat's chairman, who started at the company in 1946, has also been very active on the political front, leading business pressure groups in their efforts to persuade the Reagan Administration to do something about the unbalanced dollar/yen parity. Claiming that the current rate gives the Japanese costs advantage of 25 per cent, he has called for government action to strengthen the yen against the dollar.

So far, Morgan's appeal has fallen on stony ground, and Cat is still taking a beating in markets outside the U.S., which normally accounts for over half its sales. Apart from Komatsu, it says that IBH of West Germany has also been offering cut-throat prices.

Although U.S. sales are now recovering, the group's business elsewhere is running well below recent expectations. As a result, it has had to abandon its hope of making a profit in the current half of 1983.

But this is not just another story of a U.S. market leader being rolled over by increasing international competition. For one thing, Cat spotted the dangers relatively early.

According to Eli Lustgarten, an anlalyst at Paine Webber, the company faced many of the same international challenges which had already threatened the U.S. auto industry—"but Cat recognised the problem a decade earlier than General Motors."

Its research and development spending has been running at around 4 per cent of sales and more in recent years, whereas Komatsu has been investing under 3 per cent of its smaller sales total in this area. Its product line has been completely revamped — including, for example, major improvements in traction and transmission for its crawler machines. From the early 1970s Cat sharply stepped up the rate of spending on plant and equipment to the equivalent of 8 or 9 per cent of sales, and in dollar terms it has been outspending Komatsu by a factor of roughly seven to one.

Unlike the automotive companies, Cat does not have a quality problem. And perhaps its greatest strength is its network of over 200 full line dealers around the world, more than half of which are outside the U.S.

Cat's own financial muscle was shown last May when, a few days after the strike ended, it raised some $230m of new equity without batting an eyelid.

The company is now half way through a major reappraisal of its business strategies, and will set out broad guidelines as far ahead as 1995. At the last such exercise, in 1978, Cat set as its goal the objective of growing as rapidly in the future as it had in the past—around 6 per cent a year in real terms—and it highlighted a number of new product areas like diesel engines which would help it to achieve that target.

Morgan now says that this objective has to be questioned, given what he sees as the prospects for slower economic growth around the world. The reappraisal will not be completed for several months yet. Meanwhile, capital spending is being cut back sharply—it will run at under $400m in 1983, less than half the level two years ago—and the group also plans to take $400m out of inventories this year.

Caterpillar says that sales could improve significantly in 1984, when it expects to return to the black, and over the long term it still believes there is scope for substantial growth in areas like coal mining, materials handling and infrastructure rebuilding projects.

Its main markets are unlikely to bounce back to their former growth rates in the near term. But the prime victims are likely to be those weaker companies that find themselves caught in the mighty clash between the U.S. and Japanese leaders. Cat can take care of itself.

Business courses

Strategic marketing in a competitive environment, London. September 27 1983. Fee: £99 plus VAT for members of IM; £105 plus VAT for non-members. Details from Harold Shilling, The College of Marketing, Moor Hall, Cookham, Maidenhead, Berks SL6 9OH.

Buying and selling technology, Bath. September 15-16 1983. Fee: £145. Details from N. K. Crawford, University of Bath, Claverton Down, Bath BA2 7AY. Tel: 0225 61244, ext 884 or 753.

Interactive video in action, Sussex. September 29-30 1983. Fee: £275. Details from Futuremedia, 44a Aldwick Road, Bognor Regis, West Sussex, PO21 2PN. Tel 0234 867.

Fundamentals of domestic and international credit management, Brussels. October 10-12 1983. Fee: Non-members BFr 44,000; Members (AMA/I) BFr 40,000. Details from Management Centre Europe, Avenue des Arts 4, B-1040 Brussels, Belgium. Tel: 02 219 03 90.

Effective training development stage 1, fundamentals of group training, London. September 26-30 1983. Fee Members: £330; Non-members £380. Details from Course Secretary, BACIE Training Services, 16 Park Crescent, London W1N 4AP. Tel: 01-636 5351.

Selling services, Kent. October 2-5 1983. Fee: £450. Details from J E Davies, Client Services Director, Sundridge Park Management Centre, Plaistow Lane, Bromley, Kent BR1 3TP. Tel: 01-464 4121.

Materials requirements planning — an introduction, York. October 19 1983. Fee: £135. Details from Manfacturing Resource Planning, 108 Green End Road, Boxmoor, Hemel Hempstead, Hertfordshire, HP1 1RT. Tel: 0442-43024.

Strating in export, London. October 13 1983. Fee: LCCI Members £88.55; Non-members £113.85. Details from Training Department, London Chamber of Commerce and Industry, 69 Cannon Street, London EC4N 5AB. Tel: 01-248 4444, ext 201. Telex: 888941 LCCI G.

Financial knowledge for managers. Hertfordshire. October 3-7 1983. Fee: £595 + VAT. Details from the Registrar, Ashridge Management College, Berkhamsted, Hertfordshire HP4 1NS. Tel: 044 284 3491/2311. Telex: 826434 ASHCOL G.

How to succeed at cost-effective computing, London. October 31-November 1. Fee: £402.50. Details from Savant, 2 New Street, Carnforth, Lancashire, LA5 9BX. Tel: 0524 734505. Telex: 65138.

TECHNOLOGY

EDITED BY ALAN CANE

Microcomputers

D.R. forms consumer division

DIGITAL RESEARCH has formed a consumer products division and its new general manager, Ken Harkness, who has held management positions at General Foods and Pepsico is of the opinion that in the U.S. at any rate, "people are tiring of games and are now looking for more serious home and educational applications."

The new division will concentrate on broad-use mass-market software and its first products are VIP (visual information processor) and P-CP/M, or personal CP/M, a new version of the company's popular CP/M microcomputer operating system.

VIP is a software development tool that allows computer programmers to provide users with split screen displays and a variety of pictorial metaphors (icons) that greatly simplify use of the machine.

For example, access to files is by "opening" filing cabinet drawers seen in rows on the screen; records within drawers are located by looking at titles on the top edges of "folders" seen lying in the drawers.

The software is self-teaching and self-helping via a rolling one line display at the bottom of the screen.

In addition, several programmes using the same data can be fully integrated via the same visual interface and data stored in one programme may be used in another. For example, material from a "file" can be put into a letter under word processing.

An advantage to programmers is that VIP can be adapted in a matter of days to a broad selection of different hardware and systems software.

Digital's "Personal CP/M" is a version of the well known proprietary operating system and is held on read-only memory, catering for machines that have no disc.

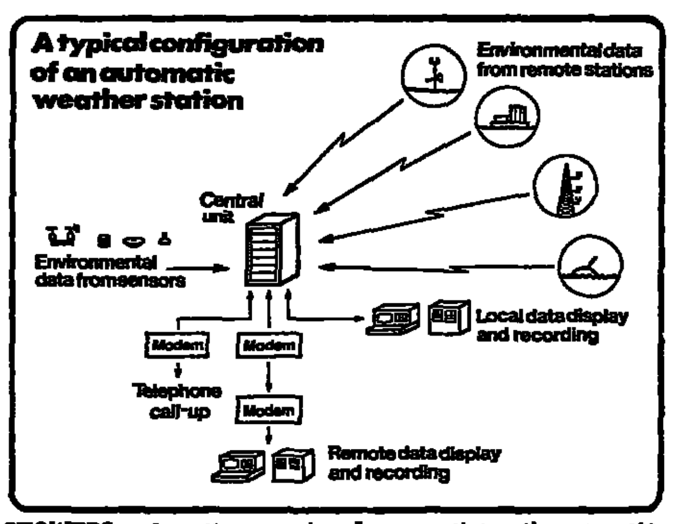
P-CP/M is designed for Zilog/Intel eight bit and Intel 16 bit based computers and will says Paul Bailey, DR's director of European Operations, "open up CP/M to a broader group of users, presenting its functions in a more visual and acceptable style."

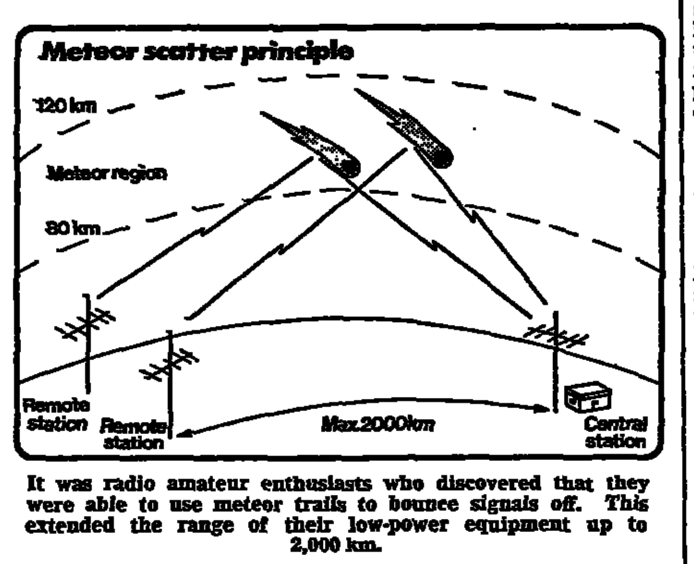
VIP and P-PC/M will be available before Christmas and are being shown to major OEMs and software developers now. More on 0635 35304.

HOW FINLAND SENDS WEATHER DATA CHEAPLY OVER LONG DISTANCES

Finns hit the meteor trail

BY ELAINE WILLIAMS





It was radio amateur enthusiasts who discovered that they were able to use meteor trails to bounce signals off. This extended the range of their low-power equipment up to 2,000 km.

SHOWERS of meteors rain down on the earth every moment of the day. Vaisala, a Finnish electronics company, has developed a method of using this constant bombardment to transmit data cheaply over long distances.

Originally this method of data communications was discovered by radio amateurs more than 25 years ago to extend their range of communications up to 2,000 km on the VHF frequency band.

Vaisala has turned the idea into a commercial system for use in its automatic weather station to build an environmental data acquisition network. Its main application is in sparsely populated countries where there is a poor communications infrastructure and where costs must be kept low.

Ion trails

Meteor scatter uses ionised meteor trails to reflect or reradiate VHF radio signals between two locations. These trails are produced as the meteors enter the earth's atmosphere and burn up. This usually happens at a height of between 80 to 120 km. The trails, which are typically 25 km in length, do not last for long, being only a few seconds in duration.

The usable time, however, to send information in the VHF band is normally only a few hundred milliseconds. In addition, most of the meteors are small so that they measure only a few millimetres across. Yet they can allow short bursts of data to be transmitted.

In practice the remote stations listen for transmission from the central station. When it is able to receive broadcasts from the centre it knows that there is a meteor trail available on which to broadcast and immediately begins to transmit weather data. With such a short available transmission time the remote station may take several bursts to transmit all the data.

Frequent

It has been estimated that about 10bn small meteors enter the atmosphere every day so that it is possible to detect trails at least three to ten times every second of the day. It is the sheer number of particles and their fairly regular occurrence that makes meteor scatter such a reliable form of communications. The availability of low cost VHF equipment keeps down the cost.

Vaisala has carried out experiments in Finland and Swaziland on the transmission of weather satellite systems having developed the technology itself. The first commercial system is expected to be installed later this year in Finland.

Vaisala is one of the leading companies in the world for weather data gathering. It has about 25 per cent of the world market for radio sondes which are used to detect conditions in the earth's upper atmosphere. Radio sondes, which contain several sensors transmitting data back to earth, are usually attached to weather balloons. Every year more than 800,000 sondes are released into the atmosphere.

The company has developed its own expertise in computing and electronics—even to the extent of building its own silicon chips for use in sensors. It does not believe in buying in much of its high technology and spends 17 per cent of its total turnover on research and development.

From its original beginnings in sensors the company now provides a whole range of services in weather information gathering and claims to be one of the few companies in this field which can actually provide everything from the basic sensors to complete weather stations with computers and telecommunications. It believes that its meteor scattering system will have applications in many of the world's developing countries which are becoming more aware of the need to gather data on weather for applications such as crop control.

However, Vaisala is not alone in its interest in meteor scatter. Over the past five years several networks have been built and have been active in use. Most are in North America such as the U.S. Department of Agricult-ture's SNOTEL system. This has 500 remote unmanned weather stations transmitting snow, temperature and precipitation data which is used to forecast water supply and river flows.

In Alaska, a similar system looks at a wider range of weather information. Military interest has also been aroused to the possibilities of meteor scatter communications in case of nuclear war because of it. reliability.

Meteor scatter antennas are smaller and equipment is less complex than other forms of communications which can transmit over long distances. This is a very important factor when a weather network may have tens or hundreds of stations gathering data many of which may be far away from human dwellings.

Remote stations usually consist of several sensors, a computer processor, transmitter and receiver, power amplifiers and power equipment. The most important need for a meteor trail transmitting station is that the antenna must have an unobstructed view of the sky.

Meteor scatter systems in use today typically transmit at a rate of between 2 to 5 kbits a second using a system of phase shift key modulations which has the advantage of a very narrow bandwidth.

Meteorologists have successfully used the ionized trails in the studies of high altitude winds. The trails reflect and radar signals can be tracked by a specially built radar. Much of the information on atmospheric circulation at these high altitudes is derived from such observations.

AUTOMATIC TICKET SYSTEM

Computer keeps the musical score

THE ONE thing that would strike a note of discord in the smooth running of the Philharmonia Orchestra was its ticket system. That was until it invested £20,000 in a small computer to take over a very tedious job.

It is the only London based orchestra to employ a computer to run its affairs and to sell tickets to its supporters.

About 18 months ago, the Philharmonia Orchestra went to computer consultant, Joseph Roth of Business Industrial Management, Wembley, and asked him to specify a system to handle ticket subscriptions. He then produced a tender which went out to several companies and the contract was won by a small OEM manufacturer in Bushey called Boyd Microsystems.

Until the system, which is based on a TeleVideo computer, became operational for last year's season, the small administration staff at the orchestra's headquarters had to handle the ticket issuing and accounting by hand. They admit that this had become a nightmare.

Tickets were printed not by the orchestra but by the Royal Festival Hall ticket office which often had to print the batch of tickets six or more months in advance of the concert. These were then sent to the Philharmonia's box office so that it could handle the ticket sales through its subscription system. Unsold tickets were returned to the Festival Hall about a month before the concert for sale directly to the public. Any unreturned but unsold tickets had to be paid for by the orchestra.

This system was very cumbersome indeed and there was a great deal of room for error. Tickets had to be placed in pigeon holes in the wall and taken out every time a seat was sold. There were also various types of subscription which meant that different discounts were available to concert goers. There was always a discrepancy between the tickets sold through subscription which accounts for about 33 per cent of total sales, and those returned to the Festival Hall.

Computing power has cut dramatically the amount of time taken to run the system. The Philharmonia now prints its own tickets directly and sends a computer printout to the Festival Hall, listing all unsold seats so that the outstanding tickets can be printed and sold.

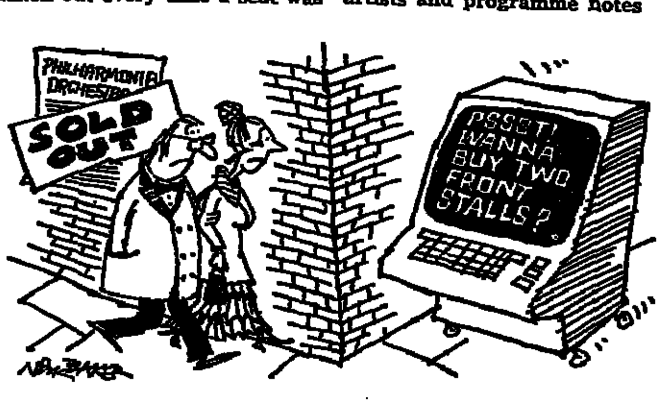
Accounting is carried out automatically and it is now a simple matter to keep track of each seat sold, any special requirements a ticket holder may have.

As well as its ability to handle its subscription system, Mr Bishop has high hopes that the computer will be used for many other administrative duties. For example, it will soon be used to estimate the cost of putting on a concert.

"Every piece of music costs a different sum," said Mr Bishop. So it is possible to use the computer to estimate how many players will be needed for a particular musical work, how much each player is paid according to the latest union rates, travel and insurance costs.

Also the computer system is being used for word processing and printing standard letters to the orchestra's 2,900 subscribers. Press releases and artists contracts are prepared on the machine.

Short biographies of the artists taking part in a concert can be prepared and sent out to concert halls. Eventually the computer will store biographies of all the Philharmonia's artists and programme notes



Energy

Britain's low cost windmills

AN UNUSUAL new design of windmill which could cut dramatically the cost of electricity generating using alternative energy was shown in Australia yesterday.

It has been developed by Derek Taylor at the Open University's Alternative Technology Group in the UK. The design has a very simple design and needs little material to build.

The windmill spins on a vertical axis and can harness wind coming from any direction. The group at the Open University is looking for an industrial company to take up the project.

In practice the Taylor design resembles an inverted cone. Mr Taylor has envisaged having one or more blades with fixed or variable tilt angles.

The initial wind turbine which is being shown at the Solar World Congress in Australia is a two-blade "V" type with a fixed tilt angle and bracing wires. This is a relatively simple design in which the blades are attached by their roots to the hub by means of a "flapping" type hinge in much the same way as conventional horizontal type wind turbines.

Mr David Sharpe, at Queen Mary College's Department of Aeronautical Engineering in London, has been working with the Open University on the testing and design of the system.

Advantages for the new design are claimed at being multidirectional harness of the wind, self-starting of the turbine so avoiding the cost of a starting device or the use of stored or mains energy for starting as is required on other types of vertical axis machines, and simple blades which are relatively inexpensive to make.

ELAINE WILLIAMS

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday September 2 1983

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Zimbabwe expects tobacco output to rise, Page 34

WALL STREET

Profiting traps the heavyweights

THE STOCK market on Wall Street took on a mixed appearance yesterday with some profits being taken in leading issues after the sharp rise of the previous session. Credit markets remained firm, helped by a fall in the Federal Funds rate, but the uncertain outlook for short-term rates continued, *writes Terry Byland in New York.*

Share turnover again improved from the slack levels seen earlier in the week. Small losses across the range of the market heavyweights pushed the Dow Jones Average lower. However, there were plenty of firm spots in motors, airlines and rail stocks and over the broad range of the market, share gains were in the majority.

The Dow Jones Industrial average closed 9.35 down at 1,206.81.

Leading stocks to run into profit-takers included IBM, $⅝ off at $118⅝, General Electric, $⅛ off at $51, Dow Chemical $⅝ lower at $36⅝ and U.S. Steel $⅛ down at $27⅝.

There was some profit-taking elsewhere in steel shares. National Steel eased by $¼ to $27⅛ and Inland Steel, another of the week's favourites, dipped by $⅝ to $32½.

Motor shares had another successful session, headed again by Ford, which put on $1¾ to $58¾. Chrysler started sluggishly on the news that joint production of a U.S. car with Volkswagen had been ruled out but later edged forward by $⅛ to $27⅛. General Motors continued to benefit from its European success and the disclosure that only components delays were holding back sales in the U.S., and gained $⅞ to $71⅛.

The Dow Jones transportation average was boosted by the strength of both railway and airline issues. Eastern Air Lines added $¼ to $7⅛ after dropping a cheap round-U.S. ticket – welcome news from an industry plagued by fare discounting in domestic routes – while Republic Airlines held steady at $4½ after announcing union agreement to wage negotiations. American Airlines, the most favoured in the sector, gained $1 to $32 and UAL put on a similar amount to $32⅞.

Burlington Northern, the railway currently absorbing the outstanding equity in El Paso, the natural gas producer, continued to find buyers at $88, a net $1 higher.

There were even scattered rises among the agricultural and mining machinery makers, which have been sorely battered this year. Deere added $⅛ to $39 and Caterpillar, at $39⅞ put on $⅝.

Banking issues, however, remained subdued by the possibility of higher rates in the money market where they raise funds. Chase Manhattan slipped by $¼ to $47¼ and a bout of selling took $⅞ off Citibank at $46¼.

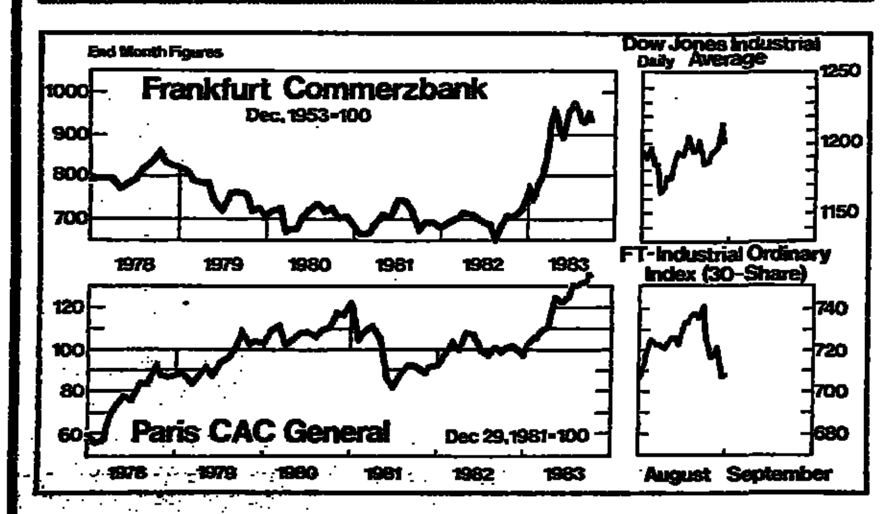
Shares in Merck, the pharmaceutical group, tumbled by $4⅝ at $91¾ after the board said it had temporarily suspended sales in the UK and Germany of an anti-arthritic drug.

In the credit market, a fall in the Federal Funds rate from its opening level of 9½ per cent to 9⅜ per cent at midday was reflected in falls of four basis points in Treasury Bill rates. The three-month bill stood at 9.23 per cent and the six-month at 9.50 per cent.

But the key long bond was hardly changed from overnight at $100 19/32 after shedding an early improvement. Dealers commented that turnover was low as the Labour Day weekend holiday loomed ahead.

Municipal issues lacked strong direction and corporate bonds remained inactive.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Sept 1	Previous	Year ago
DJ Industrials	1206.81	1216.16	895.05
DJ Transport	553.32	548.58	358.96
DJ Utilities	129.87	129.53	114.48
S&P Composite	164.23	164.40	118.25
LONDON			
FT Ind Ord	708.6	707.4	582.9
FT-A All-share	451.35	450.36	349.17
FT-A 500	484.09	487.58	384.34
FT-A Ind	439.34	438.02	353.37
FT Gold mines	672.5	678.9	336.1
FT Govt secs	79.51	79.23	78.07
TOKYO			
Nikkei-Dow	9228.35	9189.43	7152.55
Tokyo SE	680.72	678.53	533.10
AUSTRALIA			
All Ord.	706.6	701.3	482.5
Metals & Mins.	601.7	599.6	392.6
AUSTRIA			
Credit Aktien	55.18	55.19	48.69
BELGIUM			
Belgian SE	132.2	132.43	97.71
CANADA			
Toronto Composite	2501.7	2483.0	1615.6
Montreal Industrials	444.34	441.61	293.97
Combined	418.32	414.75	280.38
DENMARK			
Copenhagen SE	187.45	186.31	86.78
FRANCE			
CAC Gen	134.5	134.7	100.5
Ind. Tendance	142.9	142.7	116.1
WEST GERMANY			
FAZ-Aktien	312.97	309.29	223.21
Commerzbank	927.8	914.1	677.3
HONG KONG			
Hang Seng	955.24	965.94	1036.03
ITALY			
Banca Comm.	202.96	202.53	169.14
NETHERLANDS			
ANP-CBS Gen	138.8	138.4	86.9
ANP-CBS Ind	111.2	111.3	68.4
NORWAY			
Oslo SE	207.79	205.19	107.38
SINGAPORE			
Straits Times	986.28	989.3	664.87
SOUTH AFRICA			
Golds	947.8	945.3	565.5
Industrials	933.8	932.4	608.1
SPAIN			
Madrid SE	113.07	113.51	104.7
SWEDEN			
J & P	1512.17	1493.92	618.39
SWITZERLAND			
Swiss Bank Corp	336.0	332.8	245.7
WORLD	Aug 31	Prev	Yr ago
Capital Int'l	177.3	176.3	132.9

GOLD (per ounce)

	Sept 1	Prev
London	$416.625	$414.625
Frankfurt	$416.50	$414.50
Zürich	$418.50	$414.50
Paris (fixing)	$415.52	$412.95
New York (Sept)	$416.40	$414.40

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Sept 1	U.S. DOLLAR Previous	STERLING Sept 1	STERLING Previous
£	1.499	1.494	–	–
DM	2.695	2.697	4.0425	4.0325
Yen	246.5	246.25	370	368
FFr	8.11	8.11	12.155	12.1125
SwFr	2.187	2.186	3.28	3.2675
Guilder	3.016	3.017	4.52	4.51
Lira	1607.75	1611.5	2412	2407.5
BFr	54.16	54.27	81.25	81.1
C$	1.23275	1.23375	1.848	1.8425

INTEREST RATES

Euro-currencies (three month offered rate)	Sept 1	Prev
£	9 15/16	9⅞
SwFr	4⅝	4⅝
DM	5 11/16	5 11/16
FFr	15¼	15¼
FT London Interbank fixing (offered rate)		
3-month U.S.$	10 5/16	10⅜
6-month U.S.$	10⅜	10⅜
U.S. Fed Funds	9⅜	9⅝
U.S. 3-month CDs	9.85	9.8
U.S. 3-month T-bills	9.22	9.225

U.S. Treasury Bonds

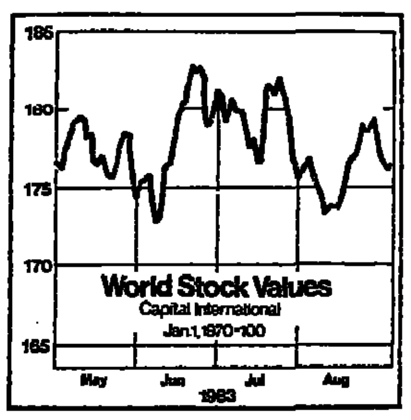
		Sept 1 Price	Sept 1 Yield	Prev Price	Prev Yield
10⅜	1985	100	11.58	100	10.58
10⅜	1990	94 17/32	11.94	94 17/32	11.94
11⅞	1993	98 23/32	12.05	98 23/32	12.05
12	2013	100 19/32	11.95	100 21/32	11.91

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
September	69–30	70–10	69–25	69–25
U.S. Treasury Bills (IMM) $1m points of 100%				
September	n/a	n/a	n/a	90.74
Cert Deposit (IMM) $1m points of 100%				
September	90.12	90.15	90.07	90.04
LONDON				
Three-month Eurodollar $1m points of 100%				
September	89.90	89.91	89.81	89.79
20-year Notional Gilt £50,000 32nds of 100%				
September	101–10	101–16	100–06	101–10

LONDON COMMODITY MARKETS

	Sept 1	Prev
Silver (spot fixing)	809.85p	803.35p
Copper (cash)	£1064.00	£1061.50
Coffee (Sept)	£1704.00	£1727.50
Oil (spot Arabian light)	$28.87	$28.87



LONDON

Technical factors end early rally

AN ATTEMPTED rally and another disappointing trade was all the London stock market could muster yesterday in reply to Wall Street's strong overnight performance. Leading shares laboured to hold early small gains and many closed unchanged. The FT Industrial Ordinary share index finished 1.2 higher at 708.6 after being 5.7 up at the first calculation.

Investors were still reluctant to commit funds while technicalities associated with the current long trading account persisted. These could continue until settlement day on September 12. So a trading session that began with some promise yesterday ended on yet another dull note.

A relatively static bullion price coupled with a general lack of interest left the South African and UK issues with widespread small losses.

Gilt-edged securities benefited from lessening U.S. worries about dearer credit. Quotations opened higher and longer-dated issues soon increased their gains to around ½ on demand encouraged by yield considerations. The high-coupon Treasury 15¼ per cent 1996 registered an above-average rise of ⅞ at 127. Demand was relatively light in all sectors of the market, and sellers were less active than recently. *Details, page 29; Share Information Service, 31, 32*

AUSTRALIA

REPORTS of a possible oil find off the coast of the Northern Territory triggered brisk buying of oil and gas stocks in **Sydney**, which led to a broad market advance in heavy trading. The All Ordinaries index closed 5.3 points up at 706.6 with the Oil and Gas index surging 17.1 to 701.3.

Broken Hill Proprietary, which holds a 50 per cent interest in the well, gained 35 cents to A$11.75. Weeks Australia, holder of 10.31 per cent, put on 19 cents to 62 cents in **Melbourne**, while Ampol Exploration, with 6.25 per cent, rose 30 cents to A$3.55.

Gold stocks were widely mixed, with further good gains among speculative issues despite the easier trend in world bullion prices.

SINGAPORE

LACK of buying support sent prices lower in **Singapore** after a steady opening and despite the sharp advance on Wall Street.

Haw Par rose 5 cents to S$2.72 following its suspension, while Construction and Supplies House (Cash), came back at S$9.40 against S$8.30 before its suspension on July 20.

HONG KONG

LATE institutional selling took prices lower again in a sluggish **Hong Kong** market yesterday. Most leading stocks drifted lower in thin trading and the Hang Seng index closed 10.7 points off at 955.24.

Cheung Kong eased 15 cents to HK$7.80 and Hutchison Whampoa 20 cents to HK$12.60 ahead of interim results announcements.

SOUTH AFRICA

GOLD shares were mixed after light profit-taking in an otherwise firm trading day in **Johannesburg**.

Heavyweights fluctuated, with St Helena ahead 50 cents to R48.50 and Buffels down a similar amount to R71.50. Cheaper priced issues moved 15 cents in either direction.

Mining financials and other minings were firm, with Anglos and De Beers up 10 cents each at R23.50 and R10.85 respectively.

CANADA

BANK stocks led a broad advance in **Toronto**. Volume leader Bank of Nova Scotia had gained C$1¼ to C$42 by mid-session, while Royal Bank was 50 cents ahead at C$30⅞.

Other big gainers were Norcen, C$1⅜ ahead at C$38, Imperial Oil, C$1⅛ up at C$39¼ and Hollinger Argus, C$1½ ahead at C$25. **Montreal** prices also registered steady gains from the opening.

TOKYO

Speculatives take index to new high

BUYING interest in leading blue chip issues revived temporarily in early trading in Tokyo yesterday after Wall Street's overnight advance, but soon shifted to speculatives and incentive-backed issues, while government bond prices fluctuated uncertainly, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average rose 38.92 points to close at an all-time high of 9,228.35, surpassing the previous high of 9,203.75 reached on August 22. Volume also improved to 502.02m shares from Wednesday's 468.75m.

Of the blue chip stocks, Hitachi at one time rose Y9 above the close of the previous day but finished Y2 off at Y858, and NEC also advanced Y30 but closed unchanged at Y1,440.

Matsushita Electric Industrial climbed Y30 but ended Y10 ahead at Y1,570. TDK gained Y80 to Y5,450 and Sony Y60 to Y3,340.

After buying interest shifted to highly speculative issues, Dowa Mining gained Y70 to Y590 and Furukawa Mining Y8 to Y348. Dealing by securities firms came to the fore.

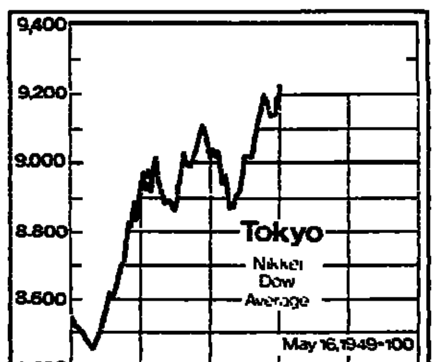
Elsewhere, Hohnon Oil, which was sought on news of sharply higher international crop prices the day before, slipped back Y14 to Y413 and Nisshin Oil Mills gained only Y1 to Y486.

Of the most active issues, Nippon Mining gained Y14 to Y270, but Nippon Steel changed little. Other gainers on the active list included Nippon Light Metal up Y10 at Y352, Rhythm Watch up Y21 at Y652, Magase up Y16 at Y556, Penta-ocean Construction up Y40 at Y310, Maruzen Oil up Y27 at Y435 and Ishihara Sangyo up Y8 at Y648.

Advances exceeded declines by 346 to 327 among the 1,001 issues traded on the first section of the Tokyo Stock Exchange, suggesting investor loss of confidence in the market.

A pick-up in the bond market early this week prompted city and regional banks to sell 7.5 per cent long-term government bonds with nine years remaining to maturity for a total of Y30bn to Y40bn.

Meanwhile, a trust bank bought some Y30bn worth of 7.7 per cent long-term government bonds with nine years remaining. But buying by institutional investors generally remained depressed.



EUROPE

Wall Street tonic has little effect

THE SHARPLY improved tone of Wall Street on Wednesday promised to dispel the lethargy that has dogged European bourses recently. But a cautious attitude prevailed and local factors held back progress in several centres.

In **Frankfurt**, the weaker dollar and the prospect of bargains brought lively early trading. But the pace slowed later and many leading issues surrendered part of their early gains. The Commerzbank index, calulated at midsession, was 12.7 points higher at 926.8, while the FAZ closing indicator had gained 3.68 at 312.97.

Chemicals, stores and banks were th e leading sectors in a broad advance. Hoechst put on DM 3 to DM 156, 50 pfg off the day's high, Bayer rose DM 2.50 to DM 147.80 and BASF DM 1.40 to DM 148.70. Schering gained DM 6 to DM 335.

Banks recovered sharply, with Dresdner up DM 4.20 to DM 170, Commerzbank up DM 5.50 to DM 168.50 and Deutsche DM 3.80 ahead at DM 309.

Metals were mixed: Degussa jumped DM 8 to DM 358 but Preussag was just DM 1 ahead at DM 261 and Metallgesellschaft fell DM 3 to DM 212.

In a reaction to earlier losses, prices of domestic bonds stabilised and gained an average of 20 basis points, but some prices slipped around 10 basis points later.

Any encouragement provide by Wall Street's overnight performance was countered by a marked downturn in oil stocks in **Paris**.

The fall was prompted by the announcement of government plans for increased taxes on petroleum products to help fund public works projects.

Petroles BP lost FFr 9 at FFr 80, CFP FFr 12 at FFr 169, and Esso FFr 8 at FFr 353.

But although trading was subdued, other sectors registered worthwile gains. In foods, Pernod-Ricard was up FFr 15 at FFr 738 and Lesieur FFr 34 ahead at FFr 1,147.

Small gains across a broad front marked a quiet session in **Amsterdam**. Insurer Natned put on 50 cents at Fl 155.5 on higher profits and a dividend increase, while publisher Elsevier gained Fl 7 to Fl 382 ahead of its first-half results.

In internationals, Philips continued to attract foreign buyers, gaining Fl 1.10 to Fl 49.50. Banks firmed, with ABN up Fl 4.50 to Fl 371 and NMB Fl 2 higher at Fl 145.

Political problems continued to overshadow activity in **Brussels**, where listless trading left domestic issues generally lower and foreign stocks slightly higher.

In holding companies, Sofina was BFr 40 lower at BFr 4,955 and Bruxelles Lamber BFr 15 lower at BFr 2,310. In steel and engineerings, Clabecq rose a further BFr 12 to BFr 944 and arms manufacturer FN gained BFr 30 to BFr 2,535.

Non-ferrous metals were broadly lower.

In **Zurich**, prices closed higher in fairly active trading boltered by Wall Street and signs that interest rates might stabilise at present levels. Swiss bonds closed steady in uneventful trading.

Prices firmed selectively in **Milan**, although continuing uncertainty over government plans to cut public borrowing kept trading light.

The decline which began last week continued in **Madrid**. Banks mainly slipped, but electricals showed an uncharacteristic firmness.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 27

هكذا من الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22⅞	6⅝	AAV	.32	2.2	13	4	14⅝	14½	14⅝	+ ⅛
4¾	2⅞	AICPh				7	3⅝	3½	3½	
6⅝	1½	ATI				29	3⅛	3¼	3¼	
12¼	2	AcmePr			10	19	7⅝	7½	7½	− ⅛
19½	10⅝	AcmU	s .32	1.9	19	22	16¼	16⅞	16⅞	+ ¼
14½	1⅞	Acton	s		9	197	11⅞	11½	11½	− ⅜
12	5⅛	Acton s	1:	12	39	109	8¼	7⅞	8⅛	+ ⅛
6½	1¼	Actn	wt			10	4⅛	4⅛	4⅛	+ ⅛
8	1¾	AdmRs				13	5½	5⅛	5⅛	+ ⅛
30⅞	12¼	AdRusl	s .10	4	16	27	25¼	25	25	
28⅞	14¼	Adobe	.20	.8	17	3	25	25	25	− ¼
5⅛	2	AegsCp			13	20	3⅞	3¾	3¾	− ⅛
24⅝	10½	Aerflx	s		18	66	18⅝	18½	18⅞	
7	3⅛	Aeronca			8	115	4¾	4½	4⅝	
32½	9⅞	AfilHsp	.36	1.3	12	2	26⅞	26¾	26¾	− ⅞
45	16⅝	AfilPb	s .54	1.6	17	4	39½	39½	39½	− ⅛
17½	3⅞	AlSci			11	52	13¼	12¾	12¾	− ½
15½	5⅞	AirExp				71	6⅝	6⅝	6⅝	− ⅛
6⅛	4⅞	Alamc	n		12	45	5¾	5⅝	5⅝	+ ⅛
23⅞	3⅞	AlbaW	.16e	.9	15	31	17⅞	17	17	− ⅛
12¼	7⅞	AlmySt		1.7		1	11⅝	11⅝	11⅝	− ⅛
10½	5¼	AlphaA				16	7½	7⅞	7⅞	− ⅛
28⅞	13¼	Alphal	s .35	3	25	13	18½	18½	18½	+ ⅛
19⅝	8¾	Altamil	.40	2.0	11	48	u19⅝	19⅛	19⅝	+ ⅛
1⅞	⅞	Altec				58	1⅜	1¼	1⅜	+ ⅛
2⅞	1⅛	Altex				139	2¼	1⅞	2	
11-16	1-16	Altex	wt			20	½	7-16	7-16	−1-16
32½	7⅞	AlzaCp				515	26½	24⅞	24⅞	− ⅞
29⅞	11⅛	Amdhl	s .20	1.1	50	1356	18⅞	17¾	17¾	− ¾

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 26

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
34½	15½	Whittak	1.60	5.6	13	54	28½	28⅛	28⅜	− ¼
11¼	4⅞	Wiebldt			46	6	9¼	9¼	9½	− ¼
40¼	14⅛	Wilbem	1.20	4.3	42	1370	29½	28	28½	−1⅛
18	9½	WimEl	.60	5.5	7	171	11¼	10⅞	11	− ¼
11⅞	6	WlshrO	.08r	1.1	9	9	7⅞	7½	7½	− ⅛
62¼	37⅞	WinDx	2.58	4.8	12	30	54¼	53½	54¼	+ ½
27⅞	7⅞	Winnbg	.10e	.6	32	275	17⅞	17¼	17⅜	+ ⅜
12⅛	3½	WinterJ			34	9	9⅞	9⅞	9⅞	− ⅛
25½	20	WiscEP	2.10	8.9	7	504	23⅞	23½	23½	− ¼
86	70¼	WisE	pf8.90	12		z10	75½	75½	75½	

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7½	3⅛	Ratinmt				15	5⅛	5	5⅛	-⅛
14⅜	5⅞	RepGy	s.40	4.1	13	17	10¼	9⅞	9⅞	-⅝
53¾	17¼	ResrtA			18	485	44⅛	43½	43½	
17¼	1⅝	Resrt	wt			371	9⅝	9¼	9⅜	+¼
59½	20	ResrtB			17	z600	49	48¼	48¼	+¼
11⅛	3¼	RestAsc			12	21	8¼	8¼	8¼	
5⅜	2⅛	RexNor				14	3⅜	3½	3⅜	+⅛
21	8½	RibletP	.12	.8	11	9	15⅜	15¼	15⅜	-⅛
47⅞	25¼	RioAlg	g1.50			5	46¼	46½	46¼	+⅜
3¼	1⅞	RioGDr				6	2⅞	2¼	2⅞	+¼
44¼	10½	Rolrway	1	2.6	27	31	39½	38¾	38¾	-½
36	13⅞	Rogers	.12	.4	51	16	31⅛	30¾	31¼	+¼
5⅛	2¼	RoncoT				49	4⅛	4	4½	+⅛
6⅛	1⅞	RoyPlm				33	3⅞	3¼	3¼	
29⅜	14¼	Rudick	.56e	2.4	8	1	23	23	23	
5⅜	2⅛	RBW				10	4½	4½	4½	
18⅜	10	Rusell	s.28	1.6	14	45	17⅛	17	17⅛	
18⅛	8⅛	Rykoff	.50	4.0	12	114	12½	12⅛	12½	+⅛
38	9	Rymd	s.50	2.1	14	808	23⅜	22¼	23½	+1⅛
		S-S-S								
10⅛	4⅛	SFM				1	6¼	6¼	6¼	-⅛
9½	3½	SMD	s		13	25	5¼	5⅛	5¼	+⅛
16⅞	6⅞	Sage			13	102	17	16⅞	17	+⅛
12½	9	Salem	.30e	3.0		4	10⅛	10⅛	10⅛	+⅛
5¼	2⅛	SCarlo	.14e	4.0		2	3½	3½	3½	
81	66	SDgo	pf9.84	13		z50	76	76	76	-1
21	17	SDgo	pf2.47	12		4	20½	20⅛	20½	+¼
37⅞	31⅝	SDgo	pf4.65	13		24	36¼	35⅞	35⅞	-¼
24	18	SDgo	pf2.68	12		7	22	21⅞	21⅞	-¼
35⅝	26½	SFrRE	2.20	7.3	14	8	30⅛	30⅛	30⅛	-⅞
35⅜	21¼	SanJW	2.40	7.6	8	8	31½	31	31½	+⅛
21	10⅞	Sandgt	s.60	4.0	6	13	15	14⅝	15	+⅛
6⅛	1⅞	Sanmrk			14	18	5	4⅞	5	+¼
10⅛	3¼	Sargent			17	176	10¼	9⅞	10	+¼
27¼	13⅞	Scheib	.50b	2.3	14	18	22	21⅞	21⅞	
5¼	2½	SchoolP				6	3⅛	3⅛	3⅛	+⅛
19⅞	4½	Schrad	.20	1.4	9	5	14½	14¼	14¼	-½
31⅞	3½	SciMgt	.10	.5		32	19	18¼	18¼	-⅞
37	8¼	SciLsg			21	22	27⅞	27	27⅞	+⅞
41⅞	22	Scope	.25	.7	21	10	35½	35½	35½	+¼
20¼	7⅞	ScurR	s			9	16⅝	16½	16⅝	+¼
35⅞	24⅛	SbdCp	.50	1.4	12	3	35¼	35⅞	35¼	+⅛
3⅞	⅞	Seaport				150	3	3	3	+⅛
14⅜	4¼	SecCap			8	47	11	10⅝	11	
6⅞	3⅝	SeisPro			39	13	7½	7⅛	7⅛	
10	3⅛	SeisDit				8	5⅛	5⅛	5⅛	
7¼	2⅞	Selas				7	6⅛	6¼	6⅛	
6⅞	1½	SelgAs	n		11	5	4⅛	4⅛	4⅛	-⅛
10¼	3⅛	Semtch	.10t	1.3	160	8	8	7⅞	8	+⅛
16	6⅞	Snvsco	.44	3.2	11	5	13⅝	13⅝	13⅝	+¼
16¼	6⅛	Servo			43	3	11½	11⅛	11½	+⅛
9½	3¼	Servotr	.80t	11	10	6	7⅞	7¼	7⅞	
38⅞	8	Seton	s.36	1.0	14	3	35⅞	35½	35½	-⅛
14¼	4⅛	ShaerS	.15e	1.2		49	13⅛	12⅞	12⅞	-⅝
5¼	2⅛	Sharon				17	3⅞	3⅜	3⅞	-⅛
35⅜	8⅞	Shopwl	.16b	.7	11	18	24⅛	24	24	-⅛
20⅛	7⅞	Shwbt	s.60	3.0	13	38	20	19½	20	+⅛
16	6	Sierrn	.10e	.7	24	3	14¼	14¼	14¼	-⅛
11⅛	6¼	Sifco	.20	2.4	29	2	8¼	8¼	8¼	-¼
25⅜	10	SikesA	.30	1.5	32	22	20⅜	20⅛	20⅜	
13⅛	3⅛	Silvrcst				51	9¼	9⅛	9¼	+⅛
6⅞	3⅞	SimcoS	.25	4.4	30	6	5⅝	5⅝	5⅝	+⅛
16¼	10	Snyder	n.2	13	11	6	15	14⅞	15	
11⅛	3¼	SolSrSc				9	8¼	8	8	-¼
12¼	5½	Soltron				29	9¼	9	9	
9¼	7⅞	SCEd	pf1.02	12		16	8⅞	8⅞	8⅞	-⅛
10	6⅞	SCEd	pf1.06	12		2	8¼	8¼	8¼	
10	7⅞	SCEd	pf1.08	12		1	9	9	9	+⅛
11⅞	8⅞	SCEd	pf1.19	12		8	10⅛	10⅛	10⅛	
109	96	SCEd	pf12	11		60	105⅛	105⅛	105⅛	+6⅝
21⅛	17	SCEd	pf2.30	12		13	19⅛	18⅞	18⅞	
70½	56	SCEd	pf7.58	12		2	61⅞	61⅞	61⅞	+½
82½	64	SCEd	pf8.96	12		9	75	74½	75	+1½
6⅞	1⅛	Somk	wtC			101	5⅞	4⅞	4⅞	-⅛
15	4⅞	Sprkmn			9	21	12¼	12⅛	12⅜	-⅛
12	7	Sprk	pf1	9.9		8	10¼	10⅛	10⅛	
28¼	9⅜	Spctro	s.14	.6	16	40	21⅞	21½	21⅞	+⅝
6⅞	2⅞	SpedOP	.10r	2.3	31	12	4½	4⅜	4⅜	+⅛
11⅞	9	StHav	n.08	.8	64	182	10¼	9⅞	10¼	+1
3⅛	2⅛	StHav	wt			85	3½	3⅛	3⅜	
19	7⅞	StdMed				6	12⅞	12½	12½	
25½	3⅛	StPrd	s.40	2.0	9	48	22	19⅞	20	-1
68	34¼	StdShr	2.79t	4.8	7	1	58½	58½	58½	-¼
13½	4⅞	Stanwd			17	5	11¼	11¼	11¼	+⅛
11⅞	2⅛	StarrtH			19	23	9¼	9	9¼	
13	8⅛	Statex				12	12¼	12¼	12¼	
16½	10⅞	StonCh	.56	3.5	10	12	16	15⅞	16	
1⅞	¼	StrlB	wt			84	⅞	9-16	9-16	
11	3½	StrlCap				3	9	9	9	-⅛
5¼	¾	StarlE				18	3⅞	3⅝	3⅞	-¼
32¼	9	StrlSh	n		10	986	21⅞	21½	21⅞	-⅛
19¾	13½	StorEq	n1.68	11	19	45	18	15⅝	16	+⅛
7¼	2⅞	StrutW				45	4½	4½	4½	
11⅞	5¼	SumitE			13	12	10½	10½	10½	+⅛
17⅞	12⅞	SumtE	pf1.80	10		7	17½	17⅜	17⅞	
7½	2⅞	SunCty	s		10	10	5⅞	5⅞	5⅞	-⅛
14½	4⅛	Sunair	s.22	1.7	20	43	13⅛	13	13⅛	+⅛
9⅛	4⅜	Sundnc				151	7½	7¼	7¼	-⅛
14½	7¼	SunJr	.48	3.7	12	10	12⅞	12⅝	12⅞	+⅛
29⅛	8½	SupFd	s.36	1.3	25	11	27½	27½	27½	
7⅞	1⅞	SupCra				118	5⅛	5⅛	5⅛	
17¼	3½	SupInd	1.51t	11	13	48	13⅞	13½	13¼	-¼
14⅝	6⅞	SuprSr	.24	2.2	13	20	11	11	11	
8½	3⅛	Susqueh			13	116	5¼	5½	5¼	+¼
15½	7⅛	Susqh	pf			39	13½	13	13½	+½
37⅞	17½	Swftln	1.04a	3.8	6	59	27⅞	27½	27⅝	-⅛
9¼	3⅞	Syntaloy				16	7¼	7	7¼	+⅛
13⅛	9	SystEn		10	9	139	11⅛	11⅛	11⅛	-⅛
13½	2⅞	SysPln				12	11⅛	10⅞	11⅛	+⅛
		T-T-T								
17¼	7	TBar	.57t	5.2		125	11⅛	10⅞	11	-⅛
11⅛	5¼	TEC	.04t			6	6½	6⅜	6½	+⅛
40¼	9⅞	TIE	s		35	784	36½	34⅞	35¼	-⅜
24	8⅛	TII			21 10	121	20⅛	19¼	20	+1
29⅜	9⅝	TabPr	s.20	.8	18	15	26¼	25⅞	26½	
19⅞	8⅞	TndB	s.08t			2	17⅛	17	17	-⅛
15⅛	6⅞	Tasty	.25e	1.8	16	14	13⅞	13⅝	13⅝	-⅛
10½	3⅛	TchAm			12	167	7⅛	6⅞	7⅛	+⅛
27½	11⅛	TchSym			23	108	20⅛	19⅞	19¾	-⅜
13⅞	3⅛	TechTp			14	62	9⅞	9⅝	9⅞	+⅛
33⅞	8⅞	Tchcm	s		72	74	18¼	17⅞	17⅞	-⅛
25	6½	Tectrol	.40	1.7	13	11	24⅛	23⅞	23⅞	-⅛
90	48	TejonR	.25e	.4	127	[illegible]	65	65		
31	21⅛	Telecn	n		27	36	24	24	24	
39	19½	Telflex	.36	1.2	12	9	29⅜	29⅛	29⅜	+⅛
16⅞	8½	TelDta	.25e	2.0	14	77	12⅞	12¼	12⅞	+⅛
27⅞	15½	Telsci				85	18¼	17⅞	17⅞	-⅛
24½	8¼	Telsph	n		56	331	9⅞	8⅞	9	
7⅞	3	Tenney	s		26	9	6¼	6¼	6¼	
32¾	21⅞	TexCd	g.1			109	30⅞	30⅛	30⅝	+⅜
13⅞	6½	TexAir	.16	2.2		853	7½	7	7¼	+⅛
6⅞	3⅛	TexAE				41	5⅞	5¼	5⅞	+⅛
27½	11¼	Txscan			22	153	19¼	19½	19¼	
22¼	4⅛	ThreD	s.15	.9	18	3	17⅞	17⅞	17⅞	
50½	29¼	Thrftm	1.60	3.5	9	24	45⅛	45	45	-½
20⅜	6⅞	Tidwell			26	16	15⅝	15	15⅝	+⅝
35½	28¼	TolEd	pf4.25	13		z25	31¼	31¼	31¾	+½
24⅛	5⅞	Topps	s.20	1.2	9	36	17⅛	16⅜	16⅜	-⅝
13¼	6⅛	Tortel				128	6½	6⅛	6⅛	-⅛
14⅛	7½	TotlPt	g.24			35	12	12	12	
4⅛	3	TotPt	wt			5	4	4	4	
7½	3⅞	Towner	.01	.2	15	82	5⅛	5	5	-⅛
3⅛	1½	Town	wt			58	1⅞	1½	1⅝	-⅛
2½	7-16	Traflgr				116	2	1⅞	2	
13¼	9⅜	TrnsLx	.10	.6	12	46	16	15½	16	+⅝
6⅛	3⅛	TranEn				41	4¼	4	4⅛	-⅛
25⅞	10⅝	TrnsTec	.48	2.4	11	48	20½	20	20¼	+¼
12	8¼	TriaCp	.77t	9.2		3	8⅞	8⅞	8⅞	
2½	1⅛	TubMx				145	2	1⅞	2	+⅛
30½	5⅞	Tultex	s.36	1.9	11	169	19⅞	18⅞	19⅞	+½
42½	22¼	TurnrC	2	5.5	6	3	36⅛	36	36¼	+⅛
5⅛	1⅛	TwinFr				83	5	5	5	
8	4¼	Tyler	wt			51	5⅞	5⅛	5⅞	
		U-U-U								
14½	7	U&I				8	12¼	11⅞	11⅞	-⅛
3⅞	2¼	UNA				22	3½	3⅛	3½	+⅛
17⅞	3⅛	URS	n.40	2.9	14	170	14¼	13½	13⅞	+⅛
5⅛	1½	USR	Ind		6	18	5⅛	5⅛	5⅛	
28⅞	8	Ultmte			29	103	27	26⅛	26¼	-⅛
24⅜	10	Unicorp	.20t			141	17½	16⅞	17½	+1¼
14⅞	6¼	Unimax				1	11¼	11¼	11¼	-⅛
24⅞	11⅞	UArPd	s.52	2.7	11	43	19⅞	19	19	-⅛
11¼	2½	UnFood	.20	2.2	9	76	9¼	9	9	-⅛
22¼	7⅞	UtMed	.77t	4.2	26	30	18⅛	17⅛	18⅛	+½
16	11⅛	UnRltn	1.25e	7.8	13	3	16¼	16½	16⅛	-⅛
25	7⅞	USAG	wt			52	17⅞	17⅛	17⅞	+⅜
13½	9½	Unitel	n		15	33	11	10½	10¼	
19½	13½	UnvC	s		26	59	14	13½	13⅛	-⅛
9⅞	5	UnvRs			450	176	9¼	8⅞	9	-½
		V-V-V								
15⅞	13¼	ValyR	1.60	10	9	3	15¼	15⅛	15¼	+⅛
24⅞	13⅛	Valmac	.25t		15	8	22½	22⅛	22¼	-⅛
39⅞	11⅝	Valspar	.68	1.9	11	2	35⅞	35⅞	35⅞	
29½	7⅛	Vrbtm	s		44	893	29¼	27⅛	28¼	-1⅛
21⅝	10⅞	VtAmC	.36b	1.8	11	2	20¼	20¼	20¼	
4⅝	1⅞	Verna				10	2	2	2	
18⅝	9⅞	Vernit	.12	.8	16	24	15¼	15	15	-⅛
9¼	2½	Vertple	.05	.9	18	2	5⅞	5⅞	5⅞	+⅛
11½	3¼	Viatech			25	19	8⅞	8	8⅛	+⅛
12⅞	3⅛	Vicon	s		20	7	9⅛	9	9⅛	
15¼	3¼	Virtage			21	9	10⅛	10⅛	10⅛	
15½	5⅛	Virco	1.11t	9.1	9	5	12¼	12⅛	12¼	+⅛
47½	37½	Valmt	n			28	u48⅞	47⅞	48½	+1⅛
15-16	¼	VisgEn	v			648	½	½	½	
23	9⅞	Vishay	.91r	5.1	14	55	17⅞	17⅞	17⅞	-⅛
11¼	5⅞	VisualG	.26	3.4		2	7⅞	7⅞	7⅞	
8⅝	4⅝	Vollder	.18e	2.8	10	3	6⅛	6⅛	6⅛	
19⅞	4⅛	Voplex	s.32	2.0	35	16	15⅞	15⅜	15⅞	
17⅞	8⅛	VulcCp	.36	2.2	6	10	16⅝	16⅛	16⅛	-⅝
		W-W-W								
8⅝	4½	WTC				51	8⅝	8¼	8⅜	-¼
7⅞	2⅛	Wedell				5	5⅝	5⅝	5⅝	+⅛
25⅞	10¼	Walbr	s.24	1.3	14	19	18⅞	18½	18½	+¼
17⅞	8	Walco	.40	3.1		16	12⅞	12⅞	12⅞	+½
8⅛	3⅛	WallcS			21	3	6⅞	6⅞	6⅞	-⅛
42½	16⅞	WangB	s.12	.4	28	4442	32½	31¼	32	+⅛
42⅞	15¼	WangC	s.07	.2	28	64	32⅞	31⅞	32½	+1⅛
39½	7¼	Wards	s.10	.3	22	673	37¼	36¼	37	+¼
20⅛	5½	WmC	wt			42	6⅛	5⅞	5⅞	
15½	1⅛	WshHm			18	45	9	8⅛	8⅛	
71⅛	38	WshPst	.66	1.0	16	22	65⅞	65⅞	65⅞	+⅛
22½	11½	WRIT	1.28	7.3	7	19	17⅞	17½	17½	-⅜
14⅞	8⅝	Watsco	.30	2.4	19	7	12⅛	12½	12½	-¼
14	8	Wthfrd				34	10⅞	10¼	10⅞	
22¼	5½	Webcr	s		28	49	16½	16⅛	16⅛	
7¼	2	Weiman	.08	1.2	22	15	6½	6½	6½	-⅛
16⅛	6	WeldT	s.10	.7		6	13⅞	13½	13½	-⅛
13½	4½	Weldtrn	s		11	46	9⅛	9	9	-⅛
10⅞	6⅞	Wellco	.30	3.6		10	8½	8⅛	8⅛	-⅛
12⅞	6⅛	WelGrd	.25	3.6	13	46	7⅞	7	7	-¼
19½	9	Wesco	.54	3.2	11	4	16⅞	16⅞	16⅞	+⅛
24½	8⅛	Wespcp	.10	1.1	22	100	9⅝	d8⅞	8⅞	-½
41	31⅛	WTex	pf4.40	12		z100	36½	36	36	-¼
12⅞	12⅛	WstBrC	s		13	92	u13¼	12⅛	13⅛	+⅛
16⅛	8¼	Wstbr	g.20			131	14½	14¼	14¼	-⅛
43	8¼	WstnSL	.12e	.3		7	34½	34¼	34½	+⅛
4⅝	1⅞	WhnCbl				10	2⅞	2⅞	2⅞	+⅛
7⅛	4	Wichita				7	5⅞	5⅞	5⅞	
3¼	1⅛	WilcxG			34	94	7⅝	7¼	7½	+¼
4⅝	9-16	WilsrB				16	4	3⅞	4	
34¼	15	Wincp	pd2	6.3	26	1	31⅞	31⅛	31⅞	
16	8⅞	Winkm	.50	3.7	11	1	13⅞	13⅝	13⅝	-⅛
6⅞	2	WolfHB			116	15	4¼	4⅝	4⅝	-⅜
14⅝	7⅛	WkWear	.48	3.6	10	33	13⅛	12⅞	13¼	+⅛
9⅞	4¼	WwdeE				84	9	8⅞	9	+¼
40½	19¼	Wrathr	.05	.1		18	38⅜	37⅛	37⅜	-⅜
9½	2⅛	WrgtH	.9		28	42	8⅛	8⅛	8⅛	-⅛
		X-Y-Z								
15½	4⅛	YankO	s		13	13	14½	14¼	14½	
24⅞	7½	Zimer	s.10	.5	29	72	19⅞	18⅞	19⅞	+⅝

NEW YORK CLOSING PRICES

Continued from Page 27

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29½	22⅛	WiscPL	2.40	9.3	7	34	25¼	25⅝	25⅞	+⅛
27⅛	21½	WiscPS	2.32	9.1	8	38	25¼	25½	25⅝	+⅛
32⅞	15½	Witco	s1.32	4.3	11	107	30⅞	30½	30¼	+⅛
29¼	13¼	WolvW	.48	2.4	10	159	20¼	19⅞	20	+½
43⅞	20⅞	Wometc	s.44	1.1	25	418	41	40⅝	40¼	
29½	18	WoodPt	.60	2.1	18	113	29	28⅛	28½	-⅛
38⅞	18⅞	Wolwth	1.80	5.0	12	313	36⅛	35½	36	+¼
53½	26⅛	Wolw	pf2.20	4.4		5	50½	50½	50½	+1
7⅛	1½	WrldAr				10	5	4⅞	5	
55⅛	36⅞	Wrigly	1.44a	2.8	10	70	52	50	52	+2⅛
8⅜	3	Wurltzr				14	8	7⅞	7⅞	-⅛
20⅛	6	WyleLb	.04e	.2		94	18⅛	18¼	18⅝	+⅛
17⅞	9	Wyly				14	13	12⅞	13	-⅛
22⅛	11⅝	Wynns	.60	3.3	45	11	18⅝	18⅞	18⅞	
		X-Y-Z								
50	30¼	Xerox	3	6.6	11	1525	45⅛	44⅞	45⅛	+⅛
53½	49⅞	Xerox	pf5.45	11		54	49½	49⅞	49½	+⅛
26⅛	14⅞	XTRA		2.5	24	303	26	25⅞	25⅞	+⅛
31½	19¼	ZaleCp	1.26	4.1	28	5	30⅛	30¼	30¼	-⅛
21⅞	13⅞	Zapata	.84	4.0	6	386	21	20⅞	20⅞	-⅛
52½	20⅛	Zayre	s.30	.7	15	423	44	42⅞	43⅞	+¼
32⅞	10½	ZenithR			130	1816	u33⅞	32⅝	32⅝	-¼
38⅞	17½	Zero	s.48	1.5	20	43	32¼	32	32¼	+⅛
37⅞	21⅝	Zurnln	1.32	5.4	8	271	25⅞	24⅝	24⅝	-1⅛

CANADA

(Closing Prices) Stock	Sep 1	Varn.
AMCA Int.	23	-½
Abitibi	24⅝	-
Agnico Eagle	20⅛	-
Alberta Energy	19½	+⅛
Alcan Alumn	48¾	-¾
Algoma Steel	28¼	-¼
Asbestos	11⅞	-
Bk Montreal	28⅝	+⅞
Bk Nova Scotia	41¾	+1
Basic Resources	-	-
Bell Canada	29⅛	+⅛
Bombardier A	13¾	-
Bow Valley	25⅞	-¼
BP Canada	-	-
Brascan A	37¼	-⅛
Brinco	3.5	-
B. C. Forest	11⅞	-⅛
CIL Inc	28	-⅛
Cadillac Fairv.	9	-
Can Cement	-	-
Can NW Energy	27	+¼
Can Packers	24⅛	-⅛
Can Trustco	43¾	-
Can Imp Bank	33⅝	+⅛
Canadian Pacific	45½	+¼
Can. P. Ent.	21¾	-
Cdn Tire	61	-
Carling O'Kfe	22	-⅛
Chieftain	28¾	-⅜
Cominco	60¼	+¼
Cons Bathst A	22½	-
Coseka Resources	4.1	+0.05
Costain	10½	-⅛
Daon Devel	1.85	-0.02
Denison Mines	48⅞	+1⅜
Dofasco	50⅞	+⅞
Dome Mines	21⅛	+⅛
Dome Petroleum	5⅞	-
Dom Stores	19½	+¾
Domtar	27¼	+¼
Falconbridge Ltd.	79	+1
Genstar	28	+⅛
Giant Y'knife	28½	-
Gt West Life	225	-
Gulf Canada	19⅛	+½
Gulfstream Res.	1.35	+0.05
Hawk Sid Can	16⅝	-⅜
Hudson Bay Mng	-	-
Hudson's Bay	23⅜	-⅛
Husky Oil	11⅝	-⅛
Imasco	32¾	+1
Imp Oil A	39⅛	+⅛
Inco	20⅝	+⅜
Indal	10½	-
Interpr Pipe	29⅜	-⅜
LAC Minerals	-	-
Mac. Bloedel	27⅜	-½
Marks & Spencer	13⅞	-⅛
Massey-Ferg	6	
McIntyre Mines	41	+½
Mitel	16½	-½
Moore Corp	55	
Nat. Sea Prods A	8⅝	
Noranda Mines	27½	+⅜
Nova Alberta	7⅜	-⅛
Nthn Telecom	50¼	+⅜
Oakwood Pet	12	+⅛
Pacific Copper	0.94	+0.04
Pancanadian Pet	26½	-½
Patino	35	
Placer Devl	28¾	-⅛
Power Corp Can	17	+¼
Quebec Strgn	10⅛	
Ranger Oil	14½	+⅜
Reed Stenhse A	13	-⅛
Rio Algom	57⅜	+⅜
Royal Bank	30⅞	-½
Royal Trustco A	25½	-1⅛
Sceptre Res	7⅝	+¼
Seagram	41⅛	+¾
Shell Can A	25¾	+¼
Stelco	26¾	+⅛
Tech B	13⅞	
Texaco (Canada)	37¼	+¾
Thomson News A	38¾	+1½
Toronto Dom Bank	17½	-¼
Transalta A	20	+⅝
Trans. Can. Pipe	27¾	+½
Walker (H) Res	24½	+⅛
Westcoast Trans	13⅝	-⅛
Weston (Geo)	56	-

AUSTRIA

Sept. 1	Price Sch%	+ or —
Credit'stalt	212	.....
Goesser	320	.....
Interunfall	395	+3
Landerbank	217	+7
Perlmooser	341	.....
Steyr Daimler	165	.....
Veitscher Mag.	208	.....

BELGIUM/LUXEMBOURG

Sept. 1	Price Frs.	+ or —
ARBED	1,520	-10
Banq Int A Lux.	4,650	+50
Bekaert B.	3,000	.....
Ciment BR.	2,000	-25
Cockerill	161	-1
Delhaize	4,595	+55
EBES	2,400	.....
Electrobel	5,340	+20
Gabrique Nat.	2,585	+30
G.B.L. Inno	3,055	+5
FBL (Brux)	2,310	-15
Gevaert	2,400	+10
Hoboken	4,560	-40
Intercom	1,875	-15
Kredietbank	6,400	-20
Pan Hldgs.	9,000	.....
Petrofina	6,000	+20
Royale Belge	7,030	-20
Soc. Gen. Banq	2,900	+15
Soc. Gen. Belge	1,660	+5
Sofina	4,955	-40
Solvay	3,100	-25
Traction Elect	3,450	.....
UCB	3,890	+40
Vieille Mont	3,460	-40

DENMARK

Sept. 1	Price Kr%	+ or —
Aarhus Olie	468	+6
Andelsbanken	288	+1
Baltica Skand.	547	-18
CopHandelsbank	252.2	+0.2
D. Sukkerfab	752	-1
Danske Bank	290	+1.4
East Asiatic	149.6	..
Forende Brygg.	1,300	.....
Forende Damp	250	.....
GNT Hldg	520	+5
I.S.S.B.	720	.....
Jyske Bank	569	-6
Novo Ind	3,230	+40
Privatbanken	282	+0.8
Provinsbanken	276	-3.4
Smidth (F)	257.4	+9.4
Sophus Berend	1,065	+55
Superfos	344.4	-3

FRANCE

Sept. 1	Price Frs.	+ or —
Emprunt 4½% 1973	2,146	-9
Emprunt 7% 1973	1,010	-90
CNE 3%	2,999	-16
Air Liquide	450.2	+3.2
BIC	596	-5
Bouygues	718	-5
BSN Gervais	1,960	.....
CIT-Alcatel	1,265	+14
Carrefour	1,379	+4
Club Mediter'n	705	-7
CFAO	516	+2
Cie Bancaire	324	+4.5
Cofimeg	177	-5.9
Creusot Loire	52.9	-2.1
Darty	650	+7
Dumez	886	-18
Eaux (Cie Gen)	369.5	.....
Elf-Aquitaine	190.5	-4.6
Gen. Occidental	701	+15
Imetal	73	+2
Lafarge Coppee	280	-4
L'Oreal	1,815	-35
Legrand	1,940	-10
Maisons Phenix	393	+4
Matra	1,023	-12
Michelin B	788	+6
Midi (Cie)	1,010	+2
Moet-Hennessy	1,195	-2
Moulinex	77.1	.....
Nord Est	46.5	+0.5
Pernod Ricard	738	+15
Perrier	330	-3
Petroles (Frç.)	169	-12
Peugeot-SA	205	-1
Poclain	79	-0.8
Printemps Au	116	+0.1
Radiotech	410	+9
Redoute	1,063	-9
Roussel-Uclaf	435	-2
Schneider	115	+1.2
Sefimeg	241.2	+1.7
Skis Rossignol	966	-3
Telemech Elect	1,120	+10
Thompson (CSF)	177.5	+8.5
Valeo	298	+1.1

GERMANY

Sept. 1	Price Dm.	+ or —
AEG-Telef	76	+1.1
Allianz Vers.	637	+6
BASF	148.7	+1.4
Bayer	147.8	+2.6
Bayer-Hypo	282	+4.5
Bayer-Verein	316	+2
BHF-Bank	299	-3
BMW	380	+1
Brown Boveri	200.9	+0.5
Commerzbank	168.5	+6.5
Conti Gummi	105.2	+1.7
Daimler-Benz	570	+4
Degussa	358	+9
Demag	151	+0.5
D'sche Babcock	161	.....
Deutsche Bank	309	+3.8
Dresdner Bank	170	+4.2
GHH	139.6	-0.4
Hochtief	435	.....
Hoechst	156	+3
Hoesch	48.5	+0.5
Holzmann (P)	424	.....
Horten	160.8	+8
Kali und Salz	213	+3.2
Karstadt	265.5	+5.5
Kaufhof	250	+5
KHD	242.5	+4
Kloeckner	39.3	-0.2
Krupp	78	+3
Linde	373.5	+2.5
Lufthansa	124	+2
MAN	127	-1.5
Mannesmann	137.9	+1.4
Mercedes Hld	491.5	+1.5
Metallgesell	212	-3
Mueuch Rueck	820	.....
Preussag	261	+1
Rhein West Elect	165.9	+0.4
Rosenthal	305	-2
Schering	336	+6
Siemens	336.5	+3
Thyssen	70.1	+0.6
Varta	167	.....
Veba	165.1	+1.6
V.E.W.	118.8	+1.1
Verein-West	309	+2
Volkswagen	211	+3.5

ITALY

Sept. 1	Price Lire	+ or —
Banca Com'le	30,050	-200
Bastogi IRBS	236	-6
Centrale	2,031	-69
Credito Varesino	4,660	-49
Fiat	3,316	+15
Finsider	48	+1
Generale (Assic)	143,875	+475
Invest	2,702	+42
Italcementi	46,600	-270
Montedison	229.4	+4.4
Olivetti	3,515	-15
Pirelli Co.	2,925	+45
Pirelli Spa	1,806	-8
Snia Viscosa	1,245	+9
Toro Assic.	12,400	+100
do. Pref.	9,401	-49

NETHERLANDS

Sept 1	Price Fls.	+ or —
ACF Holding	164	+2
Ahold	165.2	+0.4
AKZO	74	+0.3
ABN	3715	+4.5
AMEV	124.7	+0.9
AMRO	60.6	+0.6
Bredero Cert	178	+3
Boskalis Westm.	47	+0.2
Buhrmann-Tet	47.3	+0.3
Caland Hldgs	35	.....
Credit Lyon'is Bk	50	-0.2
Elsevier NDU nv	382	+7
Ennia	129	+0.5
Euro Com Tst	102	.....
Gist-Brocades	156	-2
Heineken	125.8	-1
Hoogovens	34.4	+1
Hunter Douglas	19.1	+0.1
Int-Muller	26.6	+0.6
KLM	146	+1
Naarden	38.7	+0.7
Nat Ned Cert	155.5	+0.5
Ned Cred Bank	33.4	.....
Ned Mid Bank	95	+2
Nedlloyd	020.3	+0.8
Oce Grinten	417	-0.2
Ommeren (Van)	28.5	-0.2
Pakhoed	58	+0.5
Philips	49.5	+1.1
Rijn-Schelde	4.6	-0.3
Robeco	312	+1.6
Rodamco	126.8	.....
Rolinco	304.5	+1
Rorento	190.7	-0.1
Royal Dutch	141.2	-0.3
Unilever	215	-0.8
VMF Stork	76.2	-0.6
VNU	108.8	+1.6
West Utr Bank	106	-1

NORWAY

Sept. 1	Price Kroner	+ or —
Bergens Bank	116.5	.....
Borregaard	170	+2.5
Christiania Bk.	122.5	+1
Creditbank	127.5	-0.5
Elkem	109	+6
Norsk Data	280	+5
Norsk Hydro	548	+5
Storebrand	165	.....

SPAIN

Sept. 1	Price Peseta	+ or —
Bco Bilbao	318	.....
Bco Central	255	.....
Bco Exterior	202	.....
Bco Hispano	204	.....
Bco Santander	227	-5
Bco Vizcaya	290	-3
Dragados	116	.....
Hidrola	47.7	+0.2
Iberduero	39	.....
Petroleos	79	.....
Telefonica	83.2	-1

SWEDEN

Sept. 1	Price Kronor	+ or —
AGA	365	+5
Alfa-Laval	320	-3
ASEA (Free)	395	-5
Astra (Free)	750	.....
Atlas Copco	114	.....
Boliden	453	+13
Cardo	560	.....
Cellulosa (Free)	706	+5
Electrolux B	260	+12
Ericsson	397	+7
Esselte (Free)	305	+5
Fagersta	400	+30
Mooch Dom	347	+7
Pharmacia (Free)	460	.....
Saab-Scania	275	+4
Sandvik B (Free)	310	+9
Skandia	320	+4
Skan Enskilda	311	.....
SKF B	165	+6
St. Kopparberg	546	+1
Sven Handelsbn	180	+6
Swedish Match	253	+6
Volvo B (Free)	476	+3

SWITZERLAND

Sept. 1	Price Frs.	+ or —
Alusuisse	818	+10
Bank Leu	4,275	+25
Brown Boveri	1,205	+25
Ciba-Geigy	2,005	+10
do. (Part Certs)	1,625	+15
Credit Suisse	2,160	+10
Elektrowatt	2,920	+98
Fisher (Geo)	630	+10
Genevoise	3,450	.....
Hoff-RochePtCts	89,500	+1000
Hoff-Roche 1/10	8,975	+125
Jacobs Suchard	5,800	+25
Jelmoli	1,740	+20
Landis & Gyr	1,300	.....
Nestle	4,005	+18
Oer-Buehrle	1,545	+15
Pirelli	250	+2
Sandoz (Br)	6,025	+50
Sandoz (PtCts)	980	+10
Schindler (PtCts)	420	+10
Swissair	865	+23
Swiss Bank	311	+2
Swiss Reinsce	6,825	+75
Swiss Volksbk	1,430	.....
Union Bank	3,205	+6
Winterthur	2,675	.....
Zurich Ins	16,500	+100

AUSTRALIA

Sept. 1	Price Aust. $	+ or —
ANZ Group	4.88	+0.03
Acrow Aust	1.30	.....
A.O.D.	1.00	+0.05
Ampol Pet.	1.75	+0.03
Assoc Pulp Pap	1.85s	.....
Aust Cons Ind	1.59	+0.01
Aust. Guarant	2.28	.....
Aust. Nat. Inds.	2.75	+0.05
Aust. Paper	2.21	-0.04
Bond Hldgs	1.14	-0.01
Boral	3.20	+0.02
Bl'ville Copper	2.97	-0.01
Brambles Inds.	2.65	+0.05
Bridge Oil	3.26	-0.02
BHP	11.75	+0.15
CRA	5.08	+0.04
CSR	4.23	-0.01
Carlton & Utd.	2.85	.....
Castlemaine Tys.	4.15	+0.05
Coles (G.J.)	3.35	+0.05
Comalco	3.25	.....
Consolidated Pet	0.33	+0.08
Costain	1.50	.....
Dunlop	1.32	+0.02
E.Z. Ind.	5.20	.....
Elders IXL	4.20	.....
Energy Res	1.86	+0.04
Gen Prop Trust	1.73	-0.01
Griffin Coal	6.68	.....
Hardie (J.)	4.00	.....
Hartogen Energy	3.20	-0.05
Herald W'y Times	2.68	.....
ICI Aust.	2.10	.....
Jimb'lana (50cFP)	0.25	.....
Kia Ora Gold.	0.26	.....
Land Lease	4.95	+0.1
MIM	4.50	+0.02
Mayne Nikless	2.92	.....
Meekatharra Ms	1.40	.....
Myer Emp.	1.60	-0.02
Nat. Aus. Bk.	3.38	+0.03
News	9.00	.....
Nicholas Kiwi	2.38	.....
North Bkn Hill	3.23	+0.06
Oakbridge	1.37	-0.1
Otter Expl	0.80	.....
Pancon	1.75	+0.1
Pioneer Conc	1.65	+0.02
Reckitt & Coln	2.40	.....
Repco	1.21	-0.01
Santos	8.20	+0.04
Smith (H.)	4.15	-0.05
Southland Min'g.	0.38	.....
Spargos Expl	0.39	.....
Thos Natwide	2.07	-0.08
Tooth	4.1	.....
UMAL Cons	2.40	.....
Vamgas	4.0	+0.1
Western Mining	4.80	-0.15
Westpac	3.25	+0.05
Woodside Petrol.	1.35	+0.02
Woolworths	2.53	+0.02
Wormald Intl.	3.23	-0.02

HONG KONG

Sept. 1	Price H.K.$	+ or —
Bank East Asia	27.4	+0.3
Carrian Invest	0.87	.....
Cheung Kong	7.8	-0.15
China Light	15.5	-0.3
Hang Lung Devel.	2.10	.....
Hang Seng Bank	42	-1
HK Electric	5.70	.....
HK Kowloon Wh.	3.8	-0.05
HK Land	3.57	-0.08
HK Shanghai Bk.	7.7	-0.05
HK Telephone	37.6	-0.25
Hutchison Wpa.	12.6	-0.2
Jardine Math	12.7	-0.2
New World Dev.	3.1	.....
Orient O'seas	2.82	-0.03
O'seas Trust Bk.	3.67	-0.13
SKH Props.	5.9	-0.1
Swire Pac A	13.7	-0.3
Wheel'k Mard A	2	.....
Wheel'k Marit'e.	3.15	.....
World Int. Holdgs	1.67	-0.01

JAPAN

Sept. 1	Price Yen	+ or —
Ajinomoto	1,030	-30
Alps Electric	2,660	+20
Amada	750	-8
Asahi Chem	383	+5
Asahi Glass	615	+15
Bridgeston	501	-4
Canon	1,450	+50
Casio Comp	1,560	.....
Chugai Pharm	1,190	-10
Citizen	675	-11
Daiei	610	-4
Dai Nippon Ptg	866	-14
Daiwa House	528	-1
Ebara	325	.....
Eisai	1,600	.....
Fanuc	7,750	-100
Fuji Bank	500	.....
Fuji Film	2,260	+10
Fujisawa	1,090	+20
Fujitsu	1,340	+20
Green Cross	1,650	+20
Hasegawa	464	-7
Heiwa Real Est.	673	-2
Hitachi	858	-2
Hitachi Credit	1,200	.....
Honda	865	+11
House Food	951	-4
Hoya	1,390	-40
Itoh (C)	285	+7
Ito-Yokado	1,380	.....
Iwatsu	1,730	+70
JACCS	528	.....
JAL	2,390	+20
Jusco	774	+9
Kajima	328	+3
Kao Soap	615	.....
Kashiyama	580	-10
Kirin	430	.....
Kokuyo	930	.....
Komatsu	535	+5

JAPAN (continued)

Sept. 1	Price Yen	+ or —
Konishiroku	620	+10
Kubota	310	-3
Kumagia	448	-4
Kyoto Ceramic	7,850	+70
Maeda Const	536	+5
Makino Milling	1,210	.....
Makita	1,360	-20
Marubeni	287	-1
Marudai	825	+15
Marui	1,060	-10
MEI	1,570	-10
M'ta Elec Works	590	.....
M'bishi Bank	500	.....
M'bishi Corp	505	-5
M'bishi Elec	419	+1
M'bishi Estate	472	+5
MHI	210	.....
Mitsui Co.	365	-4
Mitsui Estate	712	+13
Mitsukoshi	365	.....
NGK Insulators	800	+35
Nihon Cement	196	+5
Nippon Denso	1,480	+10
Nippon Elect	1,440	.....
Nippon Express	268	-5
Nippon Gakki	627	-1
Nippon Kokan	146	-2
Nippon Oil	909	-3
Nippon Seiko	690	.....
Nippon Shinpan	660	.....
Nippon Steel	168	.....
Nippon Suisan	327	+1
NTV	6,650	-490
Nippon Yusen	241	+1
Nissan Motor	707	+2
Nisshin Flour	407	+17
Nisshin Steel	143	-1
Nomura	745	-1
Olympus	1,070	.....
Omron Tateisi	1,610	.....
Orient Leasing	2,700	+30
Pioneer	2,850	+110
Renown	630	+1
Ricoh	894	-5
Sankyo	775	-1
Sanyo Elect	448	+5
Sapporo	372	-5
Sekisui Prefab	805	-17
Seven-Eleven	5,600	+20
Sharp	1,440	+30
Shimadzu	539	+29
Shinogi	613	+2
Shiseido	1,100	.....
Sony	3,340	+60
Stanley	801	-12
S'tomo Elect	628	-10
S'tomo Marine	212	-1
S'tomo Metal	159	+1
Taihei Dengyo	510	-5
Taisei Corp	223	-5
Taisho Pharm	1,060	-30
Takeda	853	+3
TDK	5,480	+80
Teijin	345	-2
Teikoku Oil	760	-1
Tokio Marine	486	-4
TBS	778	-2
Tokyo Elect Pwr.	971	+1
Tokyo Gas	120	+1
Tokyo Sanyo	550	-8
Tokyo Style	795	.....
Tokyu Corp	283	-3
Toppan Print	604	+8
Toray	420	.....
Toshiba	378	+6
TOTO	481	.....
Toyo Seikan	605	-4
Toyota Motor	1,160	.....
Victor	2,790	+130
Wacoal	680	.....
Yamaha	510	.....
Yamanouchi	1,840	+10
Yamazaki	560	+8
Yasuda Fire	222	-1
Yokogawa	456	+2

SINGAPORE

Sept. 1	Price $	+ or —
Boustead Bhd	3.10	.....
Cold Storage	5.5	-0.25
DBS	9.7	.....
Fraser & Neave	9.95	.....
Genting	4.88	-0.04
Haw Par	2.72	+0.06
Inchcape Bhd	3.3	+0.02
Malay Banking	9.45	+0.1
Malay Brew	6.3	-0.05
OCBC	10.8	-0.1
Sime Darby	2.32	.....
Straits St'mship	1.93	.....
Straits Trdg	5.8	-0.1
UOB	5.25	-0.05

SOUTH AFRICA

Sept. 1	Price Rand	+ or —
Abercom	2.85	+0.05
AE & Cl.	9	+0.1
Anglo Am. Coal	28.5	-0.5
Anglo Am.	23.5	+0.1
Anglo Am. Gold	141	+0.75
Barclays Bank	14.4	-2.85
Barlow Rand	18.6	+0.2
Buffels	71.5	+0.5
CNA Invest	15.8	.....
Currie Finance	4.20	-0.05
De Beers	10.85	+0.1
Driefontein	42	+0.25
FS Geduld	54.25	.....
Gold Fields S.A.	151.0	.....
Highveld Steel	5.7	-0.15
Nedbank	14	.....
OK Bazaars	24.5	.....
Protea Hldgs.	3.2	+0.1
Rembrandt	23.25	.....
Rennies	14	+0.5
Rustenburg	14.2	.....
Sage Hldgs.	6.5	+0.15
SA Brews	7.55	.....
Smith (C.G.)	22.75	.....
Tongaat Hulett.	9.0	.....
Unisec	5.45	+0.05

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NEW YORK — DOW JONES Indices

	Sep 1	Aug 31	Aug 30	Aug 29	Aug 26	Aug 25	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1206.81	1216.16	1198.84	1194.11	1192.87	1185.86	1248.3 (16/6)	174.39 (11/8)	1248.3 (16/6/83)	41.22 (2/7/32)
Transport	553.32	548.58	538.21	532.85	532.5	524.42	589.29 (24/6)	434.24 (3/1)	589.29 (24/6/83)	12.23 (8/7/32)
Utilities	129.87	129.53	130.06	130.58	131.87	130.59	132.9 (26/7)	119.46 (3/1)	163.32 (20/4/69)	10.85 (28/4/42)
Trading vol 1000's†	7685	8088	6237	5303	6165	7814	-	-	-	-

	Aug 19	Aug 12	Aug 5	(Year Ago Approx)
Ind div yield %	4.65	4.68	4.66	6.43

STANDARD AND POORS

	Sep 1	Aug 31	Aug 30	Aug 29	Aug 26	Aug 25	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	185.42	185.58	183.4	183.85	182.8	181.27	193.22 (22/6)	154.95 (3/1)	193.22 (22/6/83)	3.52 (30/6/32)
Composite	164.23	164.4	162.58	162.25	162.14	160.84	170.99 (22/6)	138.34 (3/1)	170.99 (22/6/83)	4.4 (1/6/32)

	Aug 24	Aug 17	Aug 10	Year Ago (Approx)
Ind div yield %	4.06	3.95	4.05	5.45
Ind. P/E Ratio	14.92	14.39	14.84	8.28
Long Gov Bond Yield	11.48	11.43	11.98	11.92

N.Y.S.E. ALL COMMON

Sep 1	Aug 31	Aug 30	Aug 29	1983 High	1983 Low
-	-	-	-	442.62 (6/5)	79.79 (24/1)

RISES AND FALLS

	Sep 1	Aug 31	Aug 30
Issues traded	1917	921	1934
Rises	893	36	866
Falls	707	486	669
Unchanged	407	399	399

MONTREAL	Sep 1	Aug 31	Aug 30	Aug 29	1983 High	1983 Low
Industrials	444.34	441.61	435.32	434.22	483.98 (5/5)	325.12 (4/1)
Combined	418.32	414.75	409.16	407.39	428.99 (27/7)	319.4 (5/5)
TORONTO Composite	2501.7	2483.9	2458.4	2441.5	2517.7 (27/7)	1949.8 (4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

New York Active Stocks

Thursday	Stocks Traded	3.00 p.m. Price	Change on Day		Stocks Traded	3.00 p.m. Price	Change on Day
Beth Sd	2,490,000	23⅝	-⅞	Ga-Pacific	858,200	23	-⅛
Diam Sham	1,107,000	23¾	-⅛	Sears Roe	841,000	37½	-⅛
Chrysler	942,200	28	+⅛	Citicorp	831,300	35⅛	-1
Super Oil	854,700	35⅝	-2¾	Ford Motor	822,800	58½	+1½
Philip Mor	898,200	62¾	+⅜	Gen Motors	808,200	71¼	+1

	Sept. 1	Aug. 31	Aug. 30	Aug. 29	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	708.6	705.2	695.2	695.6	708.4 (24/8)	487.8 (4/1)
Metals & Mnls. (1/1/80)	601.7	589.6	594.8	594.1	613.5 (24/8)	411.8 (4/1)
AUSTRIA Credit Aktien (2/1/62)	55.18	55.19	55.16	55.12	58.8 (5/5)	48.48 (15/2)
BELGIUM Belgian SE (31/12/63)	132.30	132.43	132.03	133.09	134.45 (1/8)	108.58 (4/1)
DENMARK Copenhagen SE (3/1/83)	187.45	186.31	186.42	184.88	187.45 (1/9)	108.00 (3/1)
FRANCE CAC General (31/12/82)	134.5	134.7	135.9	136.6	137.7 (25/8)	96.1 (3/1)
Ind Tendance (31/12/82)	142.9	142.7	143.7	140.5	146.5 (24/8)	98.8 (3/1)
GERMANY FAZ-Aktien (31/12/58)	312.87	309.29	309.47	309.94	331.65 (7/7)	247.89 (25/1)
Commerzbank (Dec 1953)	925.8	914.1	914.5	915.9	986.5 (7/7)	727.8 (25/1)
HONG KONG Hang Seng Bank (31/7/64)	965.24	965.94	971.08	(c)	1102.64 (21/7)	781.61 (4/1)
ITALY Banca Comm Ital. (1972)	202.96	202.53	201.31	202.65	214.93 (21/6)	168.45 (10/1)
JAPAN** Dow Average (16/5/49)	9228.36	9169.43	9195.92	9172.54	9228.36 (1/9)	7803.18 (25/1)
Tokyo New SE (4/1/68)	688.72	678.53	677.9	677.3	682.49 (22/8)	574.51 (25/1)
NETHERLANDS ANP-CBS General (1970)	138.8	138.4	138.1	138.1	145.4 (22/8)	108.7 (4/1)
ANP-CBS Indust (1970)	111.2	111.5	112.9	112.5	116.5 (22/8)	85.5 (4/1)
NORWAY Oslo SE (4/1/83)	207.79	206.19	205.75	202.77	214.45 (18/8)	99.01 (4/1)
SINGAPORE Straights Times (1966)	988.26	989.30	988.19	982.82	992.82 (25/8)	719.89 (6/1)
SOUTH AFRICA Gold (1958)	—	945.5	955.1	946.8	1099.5 (1/2)	694.5 (29/8)
Industrial (1958)	—	932.4	929.2	924.0	968.7 (25/8)	740.8 (3/1)
SPAIN Madrid SE (31/12/82)	115.07	115.5	114.33	(c)	120.62 (15/7)	98.32 (11/1)
SWEDEN Jacobson & P. (1/1/58)	1512.17	1495.92	1487.84	1484.20	1517.24 (12/8)	898.16 (3/1)
SWITZERLAND SwissBankCpn. (31/12/58)	336.8	332.6	331.1	328.1	347.0 (4/8)	284.4 (4/1)
WORLD Capital Intl. (1/1/70)	—	177.5	176.3	176.1	182.7 (22/8)	154.3 (3/1)

(**) Saturday Aug 20: Japan Dow 9137.13. TSE 679.15.
Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON STOCK EXCHANGE

MARKET REPORT

Equity response to Wall St upsurge is disappointing

Index struggles to 1.2 gain

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

*" New-time " dealings may take place from 9.30 am two business days earlier.

An attempted rally and another disappointing trade was all the London stock market could muster yesterday in reply to Wall Street's overnight leap of over twenty points. Leading shares here laboured to hold early gains of a few pence and many settled without change on the session — the FT Industrial Ordinary share index closed only 1.2 higher at 708.6 after being 5.7 up at the first calculation. Government stocks performed better to hold rises of ½ and sometimes more.

Latest indicators suggesting some moderation in the sprightly pace of the U.S. economic recovery and a possible easing of the current upward pressures on short-term interest rates excited American investors, which caused the upsurge in the Dow Jones index.

Their UK counterparts, however, showed no inclination to invest funds while technicalities associated with current long trading Account persisted; these could continue until settlement day on September 12. So a trading session which began wiht some promise yesterday ended on yet another lack-lustre note.

Tate and Lyle's call for £42.3m, via a rights issue was an important early news item. Others to follow included Cadbury-Schweppes' good interim figures and British Petroleum's half-yearly results. The latter failed to generate any major fluctuation in the share price, finally a shade harder on the day.

Gilt-edged securities benefited from lessening U.S. worries about dearer credit. Quotations opened higher and longer-dated issues soon increased their gains to around ½ on demand encouraged by yield considerations; the high-coupon Treasury 15¼ per cent 1996 registered an above-average rise of ⅞ at 127. Demand was relatively light in all sectors of the market, and sellers were less active than recently.

GRE down again

Comment on the interim results, and the motor business price war caused a further sharp reaction in Guardian Royal Exchange which dropped 17 to 485p, for a two-day drop of 31 and prompted a mark-down of other Composite Insurances. Eagle Star shed 9 to 443p and Royals 6 to 506p. General Accident gave up 7 to 435p and Phoenix, reporting next Wednesday, lost 6 to 314p. Among Life issues, Pearl rose 8 to 736p helped by a broker's circular, while Legal and General gained 6 to 484p following reports of a sizeable put-through. London and Manchester on the other hand, shed 6 to 414p.

The major clearing banks took a firmer line after a period in the doldrums. Barclays, 470p, and Lloyds, 500p, hardened 5 apiece. Midland held at 433p, but the new nil paid shares attracted revived support and put on 7 to 82p premium. Elsewhere, Charterhouse shed 2 to 104p in spite of satisfactory interim figures. The increased half-year profits and the board's confident statement sparked support for Cattle's which touched 32½p before closing a net 1½ up at 31p.

Buildings made an irregular showing. Buying ahead of the interim results, due shortly, lifted Costain 8 to 220p, but AMEC, also reporting soon, shed 3 more to 225p. A radio programme casting further doubts on timber-framed houses unsettled certain housebuilding issues, Barratt Developments, which reacted to 210p before closing a net 2 down at 212p. Arncliffe gave up 6 to 70p, as did Countryside, to 202p. Elsewhere, Redland came in for renewed support and put on 4 to 239p while Tarmac improved the same amount to 418p. Blue Circle, a dull market recently, rallied 8 to 428p. On the other hand, Burnett and Hallamshire dropped 30 to 338p, after 335p, following the resignation of the chairman due to ill-health. Speculative counter Helical Bar encountered profit-taking and shed 5 to 87p.

Marked up to 548p at the outset after Wall Street's overnight advance, ICI drifted back to Wednesday's closing level of 542p in the absence of follow-through support. Profit-taking clipped 7 from Laporte, to 313p. The increased interim profits and the board's confident statement failed to support Arrow Chemicals, which shed 3 to 74p. Hickson and Welch drifted down 12 to 353, but Novo Industries B, again responding to the U.S. fod and drug administration's go-ahead to marketing its human insulin in the States and to a broker's circular, gained 4 points for a two-day rise of 11 to a fresh peak of £219.

Elys advance

Lack of investment incentive and the continued absence of institutional support resulted in another featureless session among leading Stores. Most held close to the overnight positions, although Marks and Spencer responded to scattered interest and closed 4 to the good at 208p Attention again centred on selected secondary counters. Elys (Wimbledon), which revealed interim figures earlier in the week, spprted 60 in a thin market to 285p in response to a newsletter tip highlighting the company's takeover potential; Owen Owen which controls almost 30 per cent of Elys, and is also regarded as a possible bid target, eased 4 to 153p. Also on the takeover front, speculators returned for Milletts Leisure, which advanced 12 to a 1983 peak of 155p reflecting continuing talk concerning Nottingham Manufacturing's moves into retailing; the latter holds around 10 per cent of Millets. Home Charm firmed a few pence to 121p, while buyers also displayed interest in Selincourt, 2 dearer at 16p.

Movements in the Electrical leaders rarely exceeded a few pence either way, although Thorn EMI were noteworthy for a gain of 10 to 598p. Elsewhere, Arlen Electrical revived with a gain of 10 to 170p. Continental Microwave rose 30 to 770p on the preliminary figures, while the interim results and proposed one-for-one scrip issue prompted a gain of 5 to 475p in Micro Business Systems. Cambridge Electronic, in contrast, fell 10 to 263p in spite of the increased interim dividend and profits.

Leading Engineers ended little changed. Up to 168p initially following comment on the interim results, Babcock closed a penny down on balance at 164p. Still reflecting the Goring Kerr sale plans, Tace revived after the recent bout of profit-taking and put on 10 to 154p. Other bright spots included F. H. Tomkins, 4½ higher at 51½p and James Neill, 3 tothe good at 29p.

News items and trading statements created plenty of interest in Foods. Tate and Lyle reacted to 352p onthe surprise rights issue proposal before steadying to close just 2 cheaper on balance at 356p. Cadbury Schweppes, a couple of pence higher awaiting the interim results, reacted on the announcement to close 3 down on balance at 102p. Further consideration of the preliminary results and one-for-three scrip issue left Associated Dairies 2 dearer at 168p, after 172p. Tesco firmed 3 more to 161p awaiting the outcome of a broker's seminar, while J. Sainsbury found support and rose 8 to 410p. United Biscuits attracted demand and gained 4 to 150p, but S. and W. Berisford again lacked support and shed 6 more to 176p. Elsewhere, Somportex, a thin market, jumped 16 to a 1983 peak of 63p following comment in a newsletter. British Vending Industries shed a penny to 23p on the interim profits standstill.

BET good

Reflecting news of Rediffusion's joint contract worth around £30m from the Ministry of Defence, BET found support and closed 12 higher at 252p, after 255p. Further demand for Hoover A, which advanced afresh to 162p before settling 11 up on balance at 160p, gave rise to take-over talk. Comment on the quarterly figures left Johnson Matthey 5 dearer at 288p, while Nu Swift firmed a couple of pence to 71p on the good half-yearly results. Cornell continued to make headway with a further rise of 16 to 263p and Polly Peck rose 1 to £25½. Sunbright Service which made a counter-offer for Spring Grove on Wednesday, advanced to 197p before closing 18 up on balance at 192p; Spring Grove closed a penny dearer at 50p compared with Sunbright's share-exchange offer currently valued at just over 57½p. Elsewhere in Laundry shares, Brengreen revived with a rise of 9 to 109p. Renewed demand left Inter-City 8 higher at 81p, while other firm spots included Low and Bonar, 6 up at 106p, and Pentland, 3 firmer at 60p. Cope Allman finished 2 higher at 72p following the announcement that Hawley Group is making a tender offer to purchase 3.875m shares in CA at a maximum price of 85p per share. Leading shares opened firmer in the wake of the overnight rise on Wall Street, but tended to drift back and finished with small irregular movements on the day.

Thomson Holidays' prediction of a package holiday boom next summer stimulated interest in Horizon Travel which, despite a broker's cautious circular, rose 12 to 141p. Coment on the interim results left Owners Abroad 2 dearer at 28½p, after 29p. Among Television issues, Trident TV "A" attracted considerable new time interest and put on 6½ to 100p. SelecTV shed 2 to 38p; the chairman announced at the annual meeting that the company is among those applying for licences for new cable systems. Recently-firm Miss World Group came back 10 to 158p in the absence of further support.

Otherwise idle Motor sectors continued to feature BL, which again responded to hopes of an imminent sale of its Unipart operation and rose 5 to record a three-day gain of 13 at 78p, only a couple of pence below the 1983 peak.

A couple of useful gains were evident among Publishers. Associated Newspapers responded to late support and closed 11 higher at 381p. Fleet were briskly traded, reflecting fresh hopes of a Reuters flotation, and touched 122p before settling for a net gain of 4 at 121p; Mr Robert Holmes a Court's Bell Group has recently disclosed a 4.2 per cent stake in Fleet. Elsewhere, Good Relations continued to benefit from the impressive interim results and added 10 for a two-day gain of 20 at 220p. J. and J. Makin Paper Mills hardened a few pence at 213p following the 47 per cent increase in full-year profits. John Waddington, on the other hand, continued to drift and fell 8 more to 240p, now 46 below the share-exchange terms from British Printing and Communication, 2 up at 110p.

An initial modest mark-up in Properties failed to hold and quotations drifted back to leave prices virtually unchanged. Among the isolated movements, Stewart Nairn attracted fresh speculative demand and put on 4 to 45p, while London and Manchester Securities gained 3½ to 18p on talk of an investment recommendation. Edenspring attracted interest and hardened ½ to 12½p.

BP well below best

Up to 446p at one stage, BP turned reactionary following the disappointing interim results and fell away to close only 2 higher on balance at 438p. Other leading Oils were inclined harder, Tricentrol being noteworthy for a rise of 8 to 218p. Trading in the Irish speculative issues was relatively lively, Atlantic Resources advancing afresh to 340p before ending 30 up on the day at 320p. Aran settled with a gain of 3 at 45p, after 49p, while Bula finished the same amount higher at 21p.

Little of interest occurred among Overseas Traders. Tozer Kemsley and Millbourn lacked support and shed a couple of pence to 27p, while Sime Darby, due to announce annual results tomorrow, eased 3 to 71p.

A couple of sizeable gains were recorded among Plantations. Baraoora Tea were outstanding in advancing 27 to 140p following the announcement that the company is involved in bid talks. Sporadic demand in a restricted market lifted Hidong Estate 10 to 71p, while Inch Kenneth also added 10, to 368p, for a similar reason.

Metana surge ahead

The Australian sector remained the centre of attraction in mining markets.

Persistent talk of a sizeable gold discovery at Nullagine in Western Australia prompted further heavy speculative demand for Metana Minerals which jumped 20 more to 170p; other junior exploration issues associated with the area include Caris, 3p, Eastern Petroleum, 40p, and Ivanhoe, 13p, all of which were unchanged on overnight levels.

Elsewhere in the speculative gold sector, Windsor moved up 3 to 39p, Geometals 2½ to 30½p and Indian Ocean Resources 5 to 85p.

In the better-known issues, Carr Boyd gained 5 to 93p, Otter Exploration 2½ to 47½p and North Kalgurli 2 to a 1983 high of 78p.

Central Norseman gave up 5 to 488p and Gold Mines of Kalgoorlie hardened to 730p, both following full-year results.

Western Mining remained a depressed market and eased 2 more to 276p in the wake of the uninspiring results, the A$123.75m share placement and issue of options announced on Wednesday. MIM hardened a penny more to 265p, still reflecting satisfaction with the annual results, while CRA put on 5 to 355p.

Confirmation of base metal mineralisation similar to that of the Que River deposit in Tasmania failed to inspire any notable demand for participants Aberfoyle, which edged up 5 to 530p and Paringa, 2 cheaper at 72p.

A relatively static bullion price coupled with a general lack of interest left the South African and UK issues with widespread small losses.

South African Golds drifted throughout the session and a minor rally in mid-afternoon soon petered out to leave the Gold Mines index a further 6.4 off at 672.5—a two-day decline of 13.3. Bullion closed 75 cents firmer at $416.625 an ounce.

In Financials "Amgold" eased ⅞ to £83½ ahead of the sharply higher half-year profits and increased interim dividend which were not known during market hours. GFSA lost £1⅞. De Beers rallied 6 to 640p on support from Johannesburg.

Elsewhere, the Irish/Canadian Tara Exploration advanced 55 to a year's high of 670p following the recent strength of zinc prices, currently around their best levels for some nine years.

—Markets z — — — — — —

Demand for Traded Options expanded and 1,604 contracts were transacted—1,173 calls and 431 puts. British Petroleum attracted a useful two-way business following the half-year figures with 286 calls and 85 puts struck. Operators also showed interest in Courtaulds puts, in which 170 trades were done.

FINANCIAL TIMES STOCK INDICES

	Sept. 1	Aug. 31	Aug. 30	Aug. 26	Aug. 25	Aug. 24	year ago
Government Secs. ...	79.51	79.23	79.41	79.60	79.71	79.63	78.07
Fixed Interest........	82.19	82.28	82.40	82.44	82.51	82.63	78.33
Industrial Ord.........	708.6	707.4	716.3	722.1	717.4	716.6	582.9
Gold Mines..............	672.5	678.9	685.8	678.5	672.6	666.2	336.1
Ord. Div. Yield.........	4.73	4.75	4.70	4.68	4.71	4.69	6.10
Earnings, Yld.% (full)	9.59	9.62	9.52	9.49	9.64	9.50	11.38
P/E Ratio (net) (*).....	12.99	12.94	13.06	13.13	13.06	13.10	10.53
Total bargains.	20,546	17,157	17,067	18,578	19,701	19,160	18,727
Equity turnover £m.	—	163.54	136.32	148.87	174.62	182.69	142.70
Equity bargains.......	—	16,797	15,706	14,647	15,142	16,579	14,270
Shares traded (mn)...	—	115.5	96.1	102.4	114.9	108.1	107

10 am 713.1. 11 am 712.7. Noon 712.0. 1 pm 710.8. 2 pm 709.1. 3 pm 709.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.27.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs...	83.60 (13/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.....	84.74 (15/6)	78.03 (1/2)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord......	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines.	734.7 (15/2)	531.5 (28/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Aug. 31	Aug. 30
—Daily		
Gilt Edged Bargains...	130.4	124.8
Equities Bargains...	108.8	101.8
Value	330.5	273.5
5-day Avrge		
Gilt-Edged Bargains...	126.4	127.7
Equities Bargains ...	102.2	104.0
Value........	325.4	331.0

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Thur Sept 1 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Aug 31 Index No.	Tues Aug 30 Index No.	Fri Aug 26 Index No.	Thur Aug 25 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (207)	460.44	−0.1	8.90	3.78	14.48	460.81	466.42	469.99	467.04	413.39
2	Building Materials (23)	427.43	+0.3	10.63	4.68	11.80	426.28	430.94	434.76	433.04	346.70
3	Contracting, Construction (30)	720.02	−0.6	12.37	4.78	10.05	724.48	726.83	730.92	726.84	647.78
4	Electricals (36)	1698.87	—	7.85	2.22	16.52	1699.70	1729.41	1740.79	1728.02	1636.95
5	Engineering, Contractors (10)	474.56	+0.2	14.17	5.86	8.77	473.82	475.44	476.25	471.29	472.39
6	Mechanical Engineering (64)	199.69	−0.4	11.97	5.56	10.47	200.45	201.69	203.54	202.31	204.96
8	Metals and Metal Forming (10)	180.53	+0.8	10.25	6.50	11.86	179.15	180.88	182.49	180.60	150.77
9	Motors (18)	116.51	+0.1	—	4.92	—	116.40	117.89	118.81	117.97	82.17
10	Other Industrial Materials (16)	531.67	−0.3	5.49	4.16	24.06	533.45	538.34	546.05	542.06	351.73
21	CONSUMER GROUP (199)	433.04	+0.6	10.44	4.44	11.74	430.52	435.09	437.69	436.99	338.99
22	Brewers and Distillers (23)	452.28	+0.4	12.38	5.03	10.08	450.46	453.97	458.23	458.62	378.48
25	Food Manufacturing (22)	334.67	—	13.55	5.91	8.64	334.75	338.04	338.65	336.54	287.00
26	Food Retailing (13)	942.04	+1.4	7.13	2.70	18.16	929.09	928.05	925.92	929.40	726.89
27	Health and Household Products (8)	782.28	+0.6	5.66	2.74	21.00	777.98	787.89	788.14	782.13	524.74
29	Leisure (22)	579.71	+1.0	8.82	4.70	14.63	574.21	577.52	581.72	576.64	436.28
32	Newspapers, Publishing (14)	978.47	+1.6	8.37	3.33	14.58	963.50	963.47	961.39	953.11	538.60
33	Packaging and Paper (14)	187.79	+0.4	11.85	5.39	10.25	187.02	188.07	189.77	189.95	141.29
34	Stores (48)	388.34	+0.8	8.15	3.84	16.67	385.16	390.10	398.02	397.62	304.80
35	Textiles (22)	211.65	−0.9	11.81	5.42	10.11	213.54	215.53	215.66	215.64	164.27
36	Tobaccos (3)	405.29	+0.5	24.43	7.67	4.58	403.12	416.35	419.50	420.69	365.96
39	Other Consumer (10)	423.19	+1.0	5.71	3.50	—	418.87	417.64	419.10	418.49	260.41
41	OTHER GROUPS (79)	387.17	+0.2	8.08	4.41	15.68	386.40	398.71	390.91	388.61	260.96
42	Chemicals (15)	535.62	−0.3	8.44	4.72	15.51	537.21	545.33	538.30	531.82	336.90
44	Office Equipment (6)	111.34	+0.2	8.62	4.61	14.82	111.15	112.19	113.18	114.22	101.66
45	Shipping and Transport (15)	714.10	−0.2	6.92	5.69	20.78	715.85	719.43	721.00	718.74	557.60
46	Miscellaneous (43)	525.20	+0.7	7.95	3.84	15.12	521.31	526.07	532.08	530.67	363.18
49	INDUSTRIAL GROUP (485)	439.34	+0.3	9.56	4.22	13.07	438.02	442.93	445.45	443.75	353.37
51	Oils (15)	1051.50	+0.3	10.69	5.64	11.40	1028.88	1032.73	1039.04	1033.01	732.18
59	500 SHARE INDEX	489.09	+0.3	9.76	4.48	12.74	487.58	492.47	495.30	493.23	384.34
61	FINANCIAL GROUP (123) 330.92	—	—	5.76	—	330.98	333.18	336.46	337.39	251.37	
62	Banks (6)	349.75	+0.7	24.46	7.28	4.46	347.42	348.59	351.88	351.28	261.13
63	Discount Houses (8)	297.44	+0.2	—	9.10	—	296.97	297.19	295.63	295.48	278.61
65	Insurance (Life) (9)	477.70	+0.4	—	4.59	—	475.92	479.97	487.92	487.24	287.05
66	Insurance (Composite) (10)	223.15	−1.2	—	6.80	—	225.82	228.94	231.97	235.08	162.24
67	Insurance Brokers (7)	550.19	−0.1	12.05	5.43	11.48	550.54	553.64	556.73	554.44	498.70
68	Merchant Banks (13)	207.61	−0.3	—	4.37	—	208.23	206.74	206.38	204.96	145.40
69	Property (53)	450.19	+0.2	6.27	4.15	21.43	449.31	453.25	456.82	459.00	420.89
70	Other Financial (17)	239.90	−0.2	11.26	5.56	10.71	240.28	240.05	241.28	241.63	166.53
71	Investment Trusts (108)	443.02	−0.1	—	3.99	—	443.31	445.77	447.74	408.82	308.09
81	Mining Finance (4)	321.87	+0.1	5.80	4.54	22.14	321.57	325.60	325.19	325.07	219.80
91	Overseas Traders (15)	489.68	−0.5	7.36	7.64	20.83	492.00	495.84	496.65	495.85	374.86
99	ALL-SHARE INDEX (750)	451.35	+0.2	—	4.69	—	450.96	454.52	457.38	456.14	349.17

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (51)

AMERICANS (3)
Alcoa; Sperry Corp; Amer Nat Res

CANADIANS (1)
Seagram

BANKS (3)
ANZ; Murray; Goode Durrant; Westpac Banking

BREWERS (1)
Clark (Matthew)

CHEMICALS (1)
Novo Inds

STORES (2)
Millets Leisure; Steinberg

ELECTRICALS (1)
Webber Electro Comps

ENGINEERING (2)
Davies Metcalfe A; Meggitt

FOODS (4)
Paterson Jenks; Tesco; Somportex; Do 9 pc Ln 2002-07

INDUSTRIALS (13)
Biddle; Intereurope Tech; Continental Group; MCD Group; Cope Allman; Monsanto 5pc '82-86; Cornell; Simpson (S.) A; Electrolux B; Sunlight Services; Hoover A; Williams (J.); Inter-City Invs

NEWSPAPERS (3)
Assoc Book Pub; News Int Sp Div; Intnl Thomson

PAPERS (1)
Good Relations

PROPERTY (1)
Utd Real Prop

TRUSTS (3)
Brit Empire Secs; GT Japan; Brit Ind Gen Dfd

OILS (7)
Claremount Pet; Weeks Aust; Genoa NL; Weeks Pref (Aust); SK Pet; Woodside Pet; Santos

PLANTATIONS (1)
Harrisons Malay

MINES (4)
Rand Min Props; Cons Murchison; North Kalgurli; Tara Expln

NEW LOWS (10)

BRITISH FUNDS (1)
Exch 13¼pc '83

BUILDINGS (2)
BPB Inds; HAT Group

ENGINEERING (1)
Jones Stroud... Jones Sipman

INDUSTRIALS (3)
Blundell Permoglaze; Fobel Intl; EIS Group

LEISURE (1)
Miss World Grp

TEXTILES (2)
Notts Manu; Nova Jersey

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aran Energy	45	+ 3
Assoc. Dairies	168	+ 2
Atlantic Res.	320	+30
Cadbury Schweppes...	102	− 3
Cornell	263	+16
Fleet Hldgs.	121	+ 4
GRE	485	−17
Legal and General ...	484	+ 6
Metana Mining	170	+20
Sunlight Services	192	+18
Tate and Lyle	356	− 2
Tesco	161	+ 3

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Bowater	15	209	− 3
Steinberg New .	14	45pm	+11
Babcock Intl....	12	165	− 9
ICI	12	542	− 8
Cns. Gold Flds.	11	605	−12
GRE	11	502	−14
RTZ	11	657	− 5
Royal Insurance	11	512	−13
Boots	10	167	− 4
Ferranti	10	590	−13
Glaxo	10	810	−10
Inter-City Invs.	10	73	+ 2
Midld. Bk. New	10	75pm	− 3
Racal Elect. ...	9	463	− 2

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing Price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing Price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing Price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ○ Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3

For rate indications see end of Share Information Service

Call options were arranged in Inter-City, Burnett and Hallamshire, Premier Oil, Mettoy, Turner and Newall, York Resources, Phoenix Properties, Courtaulds, Streeters of Godalming, Town and City Properties, Bambers, First National Finance and Hoover A. A put was taken out in Cultus Pacific, while a double was completed in Ault and Wiborg.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	76	4	20
Corpns. Dom. and Foreign Bonds	23	2	62
Industrials	220	240	909
Financial and Prop.	80	81	355
Oils	36	20	56
Plantations	2	5	14
Mines	28	73	62
Others	76	49	68
Totals	541	474	1,536

EUROPEAN OPTIONS EXCHANGE

Series		Vol.	Last	Vol.	Last	Vol.	Last	Stock
		Nov.		Feb.		May		
GOLD C	$400	4	29	—	—	—	—	$416.70
GOLD C	$425	55	16	57	31	—	—	"
GOLD C	$450	—	—	11	16	4	25.10	"
GOLD C	$500	100	2.20	—	—	—	—	"
GOLD P	$400	42	5	64	8	—	—	"
		Sept.		Dec.		March		
SILV C	$10	1	2.20	—	—	—	—	$12.24
SILV C	$11	52	1.40	—	—	—	—	"
SILV C	$12	10	0.58 A	26	1.20	—	—	"
SILV C	$13	—	—	—	—	—	—	"
SILV P	$12	—	—	10	0.70	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 10,743

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Oct.	Calls Jan.	Calls Apr.	Puts Oct.	Puts Jan.	Puts Apr.
Brit. Petroleum (*438)						
300	140	—	—	1½	—	—
330	110	—	—	2	—	—
360	80	86	—	2	6	—
390	50	60	66	4	10	14
[illegible]						

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*472)						
460	27	50	60	16	20	27
500	12	30	40	35	40	52
550	4	12	24	80	82	90
[illegible]						

Sept. 1 Total Contracts 1,604 Calls 1,173 Puts 431

* Underlying security price.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

FT LONDON SHARE INFORMATION SERVICE

BANKS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
114	78	Charterhouse Gp.	104	−2	†5.18	1.5	7.2	(11.6)
44	32	Clive Dis'nt 20p	37	.....	3.2	—	13.1	—
980	650	Com'zbk DM 10	806	−4	—	—	—	—
£22¼	£10¾	C'hgn. Hbk. Kr100	£17½	.....	Q15%	—	9.2	—
9	6½	Dawes (G. R.)	7	.....	—	—	—	—
£94	£68½	Deutsche Bank DM50	£75½	.....	Q22%	—	3.6	—
196	103	English Assoc.	167xd	+2	3.0	♦	2.6	♦
66	39	First Nat. 10p	52½	+1	—	—	—	4.2
5¼	¼	Do. Wrrts. 75-83	3	.....	—	—	—	—
207	161	Gerrard Natnl.	207	.....	h10.0	—	6.9	—
57	43	Goode D't Mry. 5p	57	+1	1.0	—	2.5	—
208	145	Grindlays	145xd	.....	4.38	3.0	4.3	11.1
·58	39	Guinness Peat	51	.....	5—	—	—	—
140	100	Hambros 5p	130	.....	5.28	—	5.8	—
277	177	Hill Samuel	277	.....	9.1	—	4.7	—
86½	63½	Hong Shng. $2.50	68	.....	†Q55c	—	7.2	—
76	57	Jessel Toyn & Gillett	64	.....	5.5	—	12.3	—
263	185	Joseph (Leo) £1	245xd	.....	11.25	—	6.6	—
116	94	King & Shax 20p	99	.....	7.5	—	10.8	—
369	270	Kleinwort B.L.	367	−2	11.0	—	4.3	—
576	395	Lloyds £1	500	+5	†24.58	3.8	7.0	4.1
40	27	Manson Fin. 20p	35	−1	‡2.0	2.3	‡	6.2
430	234	Mercury Secs.	430	+3	9.5	—	3.2	—
443	272	Midland £1	433xr	.....	¶25.5	3.1	8.6	4.5
£80	£67	Do. 7½% 83-93	£77	+½	Q7½%	38.9	10.0	—
£97	£89½	Do. 10¾% 93-98	£94	−¼	Q10¾%	38.9	r12.1	—
118	77	Minster Assets	108	.....	4.7	2.1	6.2	10.0
193	138	Nat Aus Bk $A1	193	.....	¶Q23c	♦	7.4	7.6
675	446	Nat. West. £1	593	+3	†29.0	3.9	7.0	4.0
£80	£58	Ottoman Bank £20	£61	.....	Q45%	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
190	158	Waterside Tech Sys 20p	190	+5	u4.0	1.8	3.0	26.4
208	165	Jacksons Bourne	195xd	.....	5.0	♦	3.7	♦
34½	19	James Inds. 10p	35	+1	1.25	1.5	5.1	19.1
160	99	Jardine M HK$5	111	−3	Q80c	2.1	7.0	17.6
44	18	Jenks & Cattell	44	+2	1.06	0.5	3.4	364
348	282	Johnson Clnrs.	317	.....	†10.8	2.8	4.9	8.8
340	265	Johnson Mthy. £1	288	+5	10.0	2.0	5.0	(12)
385	228	Johnston Grp. 10p	375	.....	6.0	5.0	2.3	12.6
102	87	Jourdan (T.) 10p	92	.....	5.6	1.2	8.7	12.7
64	39	Kalamazoo 10p	59	.....	2.5	0.9	6.1	26.4
60	35	Kean & Scott Hldgs.	51	.....	M1.0	—	2.1	—
23	9¼	Keep Trust 5p	13½	.....	0.15	—	0.2	—
210	140	Kelsey Inds.	183	.....	8.0	1.7	6.2	12.6
155	110	Kershaw (A.) 5p	140	.....	‡15.0	0.6	‡	28.5
61	39	Kleen-E-Ze Hldgs.	61	.....	3.0	♦	7.0	♦
96	52	L.C.P. Hlds.	91	+1	3.6	1.2	5.6	(18.5)
32	14	LDH Group	28	.....	—	—	—	—
145	103	L.R.C. Int. 10p	122	−1	3.25	2.3	3.8	14.5
32	17	Lamont Hldgs. 10p	28	+1	1.3	1.8	6.6	11.0
40	26	Lawtex	36	.....	—	—	—	—
460	345	Lep Group 10p	460	.....	17.5	0.3	5.4	63.8
36	22	Lilleshall 10p	33	+2	d1.0	—	4.3	—
350	61	Lon. & Liv. 10p	68	+3	h2.75	3.5	5.8	6.1
140	102	London & Midl'd	129xd	−1	7.75	♦	8.6	♦
110½	38	Lon. & Nthn. Grp.	86	.....	F4.2	♦	7.0	12.1
40	23	Lon. Priv. Health	29	+1	—	—	—	14.5
65	46	Longton Inds	57	.....	1.0	—	2.6	—
120	70	Low & Bonar 50p	106	+6	5.0	0.6	6.7	45.6
47½	32½	MCD Group	47½	+3½	u1.0	2.2	3.0	21.7
87	62	MMT Computing 5p	85	.....	b1.68	2.6	2.8	19.8
26	16	M.Y. Dart 10p	24	.....	0.1	—	0.6	—
212	135	McCarthy Pk. 20p	156xd	.....	7.0	♦	6.4	♦
148	128	Macfarlane Gp.	145	−1	3.52	2.1	3.5	17.7

INSURANCES

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—continued

Central African

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	220		Q70c	4.2	24.9
23	16	Wankie Col. Z$1	22		Q5c	0.7	13.3
28	18	Zam Cpr SBD0 24	19		—	—	—

Australians

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	ACM 20c	17½	−½	—	—	—
40	32	Allstate Expln NL	40		—	—	—

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

London Stock Exchange Report page

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FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

"Asset Builder"	64.8	68.7	−0.5	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Sept 1	61.3	64.1	+0.4	—
LIM Flexible Sept 1	53.0	55.7	+0.6	—
Fixed Interest Sept 1	54.7	57.7	+0.4	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	290.2	—	−0.5	—
Invest. Tst. Fd. Acc.	305.7	—	−0.5	11.9
Property Fund Cap.	117.1	—	−0.1	—
Property Fund Acc.	123.1	—	...	4.2
Flexible Fund Cap.	179.2	—	−0.7	—
Flexible Fund Acc.	188.3	—	−0.7	4.1
Fixed Int. Fd. Cap	133.2	—	−0.3	—
Fixed Int. Fd. Acc.	140.8	—	−0.3	—
Gtd. Deposit Fd. Cap.	138.6	—	...	—
Gtd. Deposit Fd. Acc.	144.7	—	...	—
Equity Fund Cap.	130.8	—	−1.1	—
Equity Fund Acc.	137.1	—	−1.1	—
International Fd. Cap.	138.4	—	+1.6	—
International Fd. Acc.	144.9	—	+1.6	—
Capital Gwth. Fd.	420.6	—	−1.6	—
Moneymaker Fund	165.3	—	−0.4	—
Exempt Inv. Tst Cap.	408.2	—	−1.0	—
Exempt Inv. Tst Acc.	422.2	—	−0.9	—
Exempt Inv. Tst NS	420.1	—	−0.9	8.0

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		286.7	...	—
Property Fund (A)		279.0	...	—
Agricultural Fund		1095.8	...	—
Agric. Fund (A)		1067.4	...	—
Abbey Nat. Fund		227.5	...	—
Abbey Nat. Fd. (A)		226.6	...	—
Investment Fund		137.2	...	—
Investment Fund (A)		134.4	...	—
Equity Fund		416.4	+0.7	—
Equity Fund (A)		408.8	+0.7	—
Money Fund		214.0	...	—
Money Fund (A)		210.1	...	—
Actuarial Fund		219.6	...	—
Gilt-edged Fund		186.5	+0.5	—
Gilt-Edged Fd. (A)		184.5	+0.5	—
Retire Annuity		350.1	...	—
Immed. Ann'ty		193.0	...	—
International Fd.	267.8	+0.3	...	—
Bldg. Soc. Life Fd.		103.1	...	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	247.9	260.9	...	—
Inv Fd. Uts.		294.3	...	—
Pension Fd. Uts.		248.7	...	—
Conv. Pens. Fd.		289.9	...	—
Cnv. Pns. Cap. Ut.		214.7	...	—
Man. Pens. Fd.		328.8	...	—
Man. Pens. Cap. Ut.	256.9	—	...	—
Prop. Pens. Fd.		277.0	...	—
Prop Pens. Cap. Uts.		211.4	...	—
Bldg. Soc. Pen. Ut.		248.6	...	—
Bldg. Soc. Cap. Ut.		192.4	...	—
Gilts Pens. Fd.		160.8	...	—
Gilts Pens. Fd. Cap.		141.3	...	—
Equity Pens. Fd.		254.3	+0.3	—
Equity Pens. Fd. Cap.		224.5	+0.3	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

Mid-1984 target date for Kuala Lumpur tin futures trading

BY WONG SULONG IN KUALA LUMPUR

TIN FUTURES trading would be introduced to the Kuala Lumpur Commodities Exchange (KLCE) in the first half of 1984, possibly March, Datuk Paul Leong, the Malaysian Minister of Primary Industries, announced yesterday.

Datuk Leong, who was launching the start of rubber futures trading on the KLCE, said it was the Government's aim to develop the exchange into a multi-commodity trading centre, and other commodities such as pepper, timber and cocoa would be introduced in due course.

The Minister expressed satisfaction with the progress of the three-year-old KLCE, now trading in palm oil and rubber, and whose membership has increased from 76 in 1980 to the present 142.

He said the Government was adopting a "liberal policy" in allowing foreign companies to be KLCE members provided they have the required financial standing and comply with the Government's new economic policy.

Palm oil trading on the KLCE reached a record level, in hectic trading last month.

The daily turnover average 1,413 lots of 25 tonnes each, for August, compared with 837 lots for July, and 228 lots for 1982.

Prices traded reached a three-year record of 1,285 ringgit per tonne, and the KLCE had to raise margins on three occasions within August from 1,000 ringgit to 2,000 ringgit.

Traders attribute the sharp turnover and price increase to reports of day weather affecting the soya bean crop in the U.S. and Brazil, and lower output of Malaysian palm for this year, estimated at 3.2m tonnes compared with 3.5m tonnes last year.

Richard Mooney adds: On the London Metal Exchange cash standards tin rose £27.50 to £8,605 a tonne, mainly because of buying believed to be on behalf of the International Tin Agreement buffer stock.

Cash high grade copper opened slightly down but rallied later in the day on the unsettled international situation following the Korean air-crash incident. At the close the price was £2.50 up at £1,064 a tonne.

Zinc suffered a sharp setback following its recent sustained rise.

Speculators seemed to take the decision of the remaining major producers to follow Metallgesellschaft of West Germany by raising their list prices from $850 to $880 a tonne as a signal to being profit-taking and cash metal on the LME ended £9 down at £570.50 a tonne.

A £67.75 rise in the space of three weeks had previously taken cash zinc to its highest level for nine years.

Aluminium, another strong bull market recently, also fell back with the cash quotation declining £3 to £1,100.75 a tonne.

Dealers said the aluminium price was close to a resistance point but that buyers were still emerging on any dip.

Yesterday's fall largely reflected the steadiness of sterling against the dollar, they said.

Sugar beet tests show a decline in root weight

THE fourth British sugar beet test showed average root weight of 510 grammes—down from 736 grammes at the same time last year and an average 526 grammes over the past five years.

Average sugar content at 15.34 per cent was below last year's equivalent 15.59 per cent but above the five-year average of 14.57 per cent.

The latest test supports previous crop estimates of about 1.1m tonnes, against last year's record 1.4m tonnes.

● **INDIAN** tea output at the end of July totalled 253.67m kg. up 9.75m kg from the previous year. Good crop reports have so far had no effect on tea auction prices, reflecting the current strong trend in London.

● **U.S. FARM** prices rose 4.6 per cent in August after decreasing 2.2 per cent last month. The overall rise in prices reflected higher prices for soyabeans, corn, pigs, wheat and lettuce.

● **THE FRENCH** maize crop is likely to fall 11.9 per cent from 1982 to 9.16m tonnes.

● **CHINA** and the U.S. will start discussion soon on the resumption of Chinese grain purchases. China had cut off most U.S. imports after America decided to stop Chinese textile imports.

● **BUSH** fires in Zaire's Haut-Uele region have destroyed 1,000 hectares of coffee plantations, official sources said.

● **ITALY'S** white sugar production this year will total about 1.28m tonnes, slightly up on last year's 1.18m, despite a sharp drop in the beet growing area.

Harvest turns out much better than expected

FARMER'S VIEWPOINT: By John Cherrington

I FINISHED my harvest on August 17, the earliest that I can remember bar the drought year of 1976 when it was completed in July.

It turned out to be a very easy harvest. All the crops stood up well and were weed free, moisture was very low and the drier seldom had to be used. Much of the intake was down to 13 per cent moisture, 3 per cent below the acceptable level for sale.

It was easy on the machinery too. The only breakdown happened when I was visiting the combining field for the first time—I normally help in the drier. As the driver remarked, such happenings always wait for you to arrive. I took the hint and did not return.

The yields were much better than I had expected after the dreadful spring and early summer, with the cold and wet to say nothing of the drought of the last eight weeks. The real disappointment was spring barley, which had never looked well except on one rather drier field. The out-turn was about 15 per cent below last year, at around 34 cwts an acre and the sample was to me pretty ordinary and rather thin.

I decided to keep it all for the pigs but then found that almost everyone else both in Britain and Europe was suffering poor barley yields.

I presented mine for malting. My nitrogen content was high —and this is what the maltsters judge barley on these days—but everyone else's, and I sold most of it at a much better price than I thought would have been possible when I saw it coming off the combines.

It just shows that in the commodity sphere scarcity rather than quality is the deciding factor.

I had been very worried about the wheat harvest. The crops had been standing well and were very thick but when I rubbed out ears before the harvest they seemed to show an undue proportion of shrivelled grains.

So affected was I by this that I did not bother to finish a new grain store I have been building. Now I have to fill it, without the proper machinery to help.

The eventual wheat yields were the best I had ever grown here, with the major portion topping the three-tonne-an-acre mark and the rest not far behind. I think this is a reflection of the moisture retaining character of the clay soil; yields were noticeably lighter where the soil was a bit thinner.

My wheat quality is very mixed. There are shrivelled grains and the protein content is low—too low for milling I am told, but the grain is very acceptable for feed as barley seems likely to be in short supply. My oats, although they looked well all summer, demonstrated that they are a crop for wet climates and produced an enormous heap of grains of very low bushel weight. To finish up, we have enjoyed enough dry weather to bale and sell all the barley and oat straw, and carefully burn the wheat straw.

Reports I have received from the rest of the country where harvest is almost complete indicate that wheat appears to be the crop of the year, while spring barley is poor and winter barley a fair average.

It is not possible yet to put this in tonnage terms but I believe the harvest could be 2m tonnes down, at just under 20m tonnes, the bulk of the shortfall being barley. This is borne out by the very strong trade there is for malting barley in particular and the interest being developed in wheat for feed and export.

But the good harvest news weatherwise and the strong grain market are of great concern to livestock farmers.

Except for scattered thunderstorms there has been no moisture for grass, root crops, potatoes or suger beet in the South and East. The sugar beet harvest has been postponed for a fortnight. Potatoes could still make growth if there is rain this week.

Many dairy farmers have no grass and are having to feed their cows winter rations. Milk production is down but this is not significant in the light of the overall EEC milk surplus.

My own particular interest are the lambs. The very hot weather in July seemed to stop them fattening and I have been left with quite a large proportion on my hands. I normally sell quite a few store lambs at this time of year but my usual customers have cried off on the grounds they have no grass and having visited one the other day I must say I could not blame him.

Thought should be given to the problems of the pig and poultry sector which is facing a savage increase in feed costs with no relief at all in sight.

The only smiles must be on the faces of the Eurocrats. The reduced harvest and the strength of the international grain markets are progressively reducing the amounts needed for export restitutions and probably helping to put off the day when CAP reform becomes essential.

Zimbabwe tobacco hopes

BY TONY HAWKINS IN HARARE

ZIMBABWE has raised its flue-cured tobacco target for the 1983-84 growing season by 16 per cent to 110m kg.

This compares with a crop estimate for the current selling season of 95m kg and, if achieved, will be the largest crop since 1980.

The Zimbabwe Tobacco Association (ZTA) which represents the country's 1,100 growers, said this was an increase over the preliminary target of 105m kg announced in June.

The ZTA said the tobacco trade was confident of sustaining an improved export level and had predicted that carry-over stocks by the time the sales open in April next year would be the lowest since economic sanctions were applied to the former Rhodesia in 1965.

After a disappointing start, sales this year have been encouraging. A total of 71m kg of leaf—about three-quarters of the forecast crop—have been sold at an average price of Z182c a kg (£1.18).

This is some 9 per cent higher than last year's seasonal average of Z167c

Cocoa prices drop sharply

COCOA PRICES on the London futures market fell to the lowest levels for two months yesterday as the more optimistic view of West African crop prospects which has emerged over the past week gained wider acceptance.

Forecasts of heavy crop falls in the Ivory Coast and Ghana following drought and bush fires this season had lifted prices to four year highs in early June. But yesterday's London December close of £1,466.50 a tonne, down £58 on the day, was more than £250 below those levels.

Harsh spring cuts dairy farmers' gross profits by 10%

BY RICHARD MOONEY

THIS YEAR'S harsh spring trimmed dairy farmers' gross profits by nearly 10 per cent, according to figures published by J. Bibby Agriculture, suppliers of animal feeds.

Latest figures in the company's rolling herd survey show that the average margin per cow over the cost of concentrate feed in the second quarter of the year was £158.98, down 9.71 per cent compared with the same period last year. The Bibby study covers about 550 Friesian herds totalling nearly 50,000 cows.

The regional breakdown shows that yields were hit worst in the south-east of the country where margin over concentrates fell 12.88 per cent. In the mid-west the fall was only 7.6 per cent and in the south-west 8.74 per cent.

The average yield per cow over the April-June period was down 2.01 per cent while concentrate feeding was up 16.82 per cent at 0.257 kilos per litre of milk.

In the month of June milk yield per cow showed a similar fall at 2.03 per cent but the margin over concentrate cost was only 5.57 per cent down compared with June 1982 at £52.90 per cow.

"These results have confirmed our expectations," commented Mr Ian Smith, chief executive of Bibby's feeds and seeds "Our experience was that many farmers fed at much higher levels than in normal years, but still achieved poorer yields."

"The long wet spring led to cows being kept in much later, and in some cases, to seriously damaged pastures."

"There is evidence of farmers using this year's forage already. This isn't a particularly good omen for their profitability next winter," Mr Smith added.

PRICE CHANGES

In tonnes unless stated otherwise	Sept. 1 1983	+ or —	Month ago
Metals			
Aluminium	£1050	......	£950
Free Mkt	$1640/1670	......	$1645/575
Copper			
Cash h grade	£1064	+2.5	£1125.25
3 mths	£1090.75	+2.5	£1150.25
Cash Cathode	£1032	+4.5	£1088.25
3 months	£1058.75	+4.25	£1116
Gold troy oz	$416.625	+2	$415.875
Lead Cash	£263.25	−1	£264.25
3 months	£273.125	−0.25	£274.25
Nickel	£4625.93		£4625.95
Free mkt	222/252c	......	218/38c
Palladium	$151.50	+1	$150.50
Platinum	£293.50	+1.8	£296.10
Quicksilver†	$280/290	......	$280/290
Silver troy oz	809.85p	+6.50	802.30p
3 mths	828.30p	+6.30	820.80p
Tin cash	£8605	+27.5	£8617.5
3 month	£8724	+21.5	£8707.5
Tungsten	$84.32	......	$82.73
Wolfsm 22.04 lb	$73/77	......	$76/78
Zinc Cash	£570.5	−9	$517
3 mths	£586.75	−9.20	£532.5
Producers	$880	+30	$820

	Sept. 1 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$970y	+25	$1015
Groundnut	‡	......	£850
Linseed Crude	£485	......	£460
Palm Malayan	$610v	−10	$505
Seeds			
Copra Phil	‡	......	$655
Soyabean (U.S.)	$352	+9.5	$312
Grains			
Barley Fut. Nov	£118.80	+0.3	£116.45
Maize	£144.50	+0.5	£1425
Wheat Fut. Nov	£124.90	+0.3	£121.0
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1522	......	£1715
Fut. Dec	£1466.5	−58	£1659.5
Coffee Ft. Nov	£1693.5	−21	£1676
Cotton A. Index	92.15c	......	90.50c
Gas Oil Oct	$258.25	−0.75	$259.5
Rubber (kilo)	79p	−0.25	81.50p
Sugar (Raw)	£160.5y	+3.5	£186
Woolt'ps 64s	395p kilo	+1	389p kilo

‡ Unquoted. z Aug-Sept. u Nov. y Sept-Oct. x Oct-Nov. v Oct. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.85-28.90	—
Iranian Light	28.15-28.20	—
Arabian Heavy	26.70	+0.05
North Sea (Forties)	30.80-30.95	−0.05
North Sea (Brent)	31.10	—
African Bonny L'ht	31.1-31.15	−0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	302-308	−8.0
Gas oil	254-258	+0.5
Heavy fuel oil	170-172	−1.0

GAS OIL FUTURES

Weaker sentiment was the main factor behind a slightly weaker opening. Physicals eased off during the day exerting further downward pressure on prices. The market remained in a narrow range throughout, reports Premier Man.

Month	Yest.day's close	+ or —	Business Done
	$ U.S. per tonne		
Sept.	255.50	−1.00	256.25-55.00
Oct.	258.25	−0.75	258.75-58.00
Nov.	261.50	−0.75	262.25-61.00
Dec.	262.75	−1.75	264.25-62.50
Jan.	261.50	−1.75	262.50-61.50
Feb.	259.00	−1.25	259.00
Mar.	256.75	−1.25	257.50-56.75
April	252.00	−8.75	257.00-52.00
May	254.50	—	—

Turnover: 1,826 (2,963) lots of 100 tonnes.

GOLD MARKETS

Gold rose $2 on the London bullion market yesterday to close at $416¼-417 per ounce. It opened at $416½-417 per ounce. It opened traded between a high of $416½-417¼ and a low of $415¾-416.

In Paris the 12½ kilo bar was fixed at FFr 108,100 per kilo ($415.52 per ounce) in the afternoon compared with FFr 108,000 per kilo ($414.83 per ounce) in the morning and FFr 108,200 per kilo ($412.95 per ounce) on Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 36.125 per kilo ($418.02 per ounce), against DM 36,205 ($416.01) previously, and closed at $416¼-416¾ ($414¼-414¾).

In Luxembourg gold was fixed at $416.25 per ounce and in Zurich it finished at $415-418 ($413-416).

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Sept	415.00-17.0	+2.250	—
Oct.	419.50-20.3	+1.950	419.00
Nov.	423.00-24.5	+3.000	—
Dec.	427.10-27.3	+1.550	427.20-26.0
Jan.	430.60-31.2	+2.100	—
Feb.	434.60-35.0	+1.900	433.50
Mar	438.00-38.0	+2.250	—

Turnover: 362 (642) lots of 100 troy ounces.

	Sept. 1		Aug 31	
Gold Bullion (fine ounce)				
Close	$416¼-417	(£277¼-278)	$414¼-415	(£277½-278)
Opening	$416½-416¼	(£277¼-277¾)	$415½-416¼	(£279-279½)
Morning fixing	$415.80	(£276.555)	$414.50	(£278.001)
Afternoon fixing	$416.60	(£277.271)	$414.25	(£277.654)

Gold Coins Aug 31					
Krugrnd	$429½-430	(£286¼-286¾)	King Sov	$100½-102	(£67-68)
½ Krg	$221-222	(£147¼-148)	Victoria Sov	$100½-102	(£67-68)
¼ Krg	$112½-113½	(£75-75¾)	French 20s	$83½-85¼	(£55¾-56¾)
1/10 Krug	$45½-46¾	(£30½-31¼)	50 pesos Mex	$508-510	(£338¾-340)
Mapleleaf	$429-430	(£286¾-286)	100 Cor. Aust	$407-410	(£271½-273½)
New Sov	$98¼-98¾	(£65½-65¾)	$20 Eagles	$600-610	(£400¼-406¾)
½ New Sov	$57½-59½	(£38¼-39½)			

ROTTERDAM, Sept. 1.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter Sept 169.50, Oct 177.50, Nov 179.50, Dec 180.50. U.S. Northern Spring 14 per cent protein Sept 188, Oct 188, Nov 190.50, Dec 194. U.S. Three Amber Durum Sept 209, Oct 211, Nov 214.

Maize—(US$ per tonne): U.S. Three Yellow Aug 168, Sept 165, Oct 161.50, Nov 161.50, Dec 162.50, Oct/Dec 162, Jan/Mar 166.50 sellers. Argentine afloat 170, Aug 170, Sept 170 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports Sept 346, Oct 348.50, Nov 351.50, Dec 354, Jan 359.50, Feb 363.50, Mar 366.50, April 367 sellers.

Soyameal—(US$ per tonne): 44 per cent afloat 280, Aug 281, Sept 279, Oct 283, Nov/Mar 289 sellers. Pellets Brazil afloat 292, Aug 292, Sept 297, Oct 298 sellers. Pellets Argentine afloat 286, mid-Aug/mid-Sept 191, Jan/Mar 300 sellers.

PARIS, September 1.

Cocoa—(FFr per 100 kg): Sept 1715-1725, Dec 1775-1785, March 1815-1825.

Sugar—(FFr per tonne): Oct 2260-2270, March 2600-2610, May 2690-2700.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were mixed on the London Metal Exchange. Copper eased to £1,085.5 in initial trading but rallied in the afternoon following reports concerning the Korean air incident and subsequent American buying interests to close the late Kerb at £1,092.5. Buffer stock support buying and borrowing boosted forward standard Tin to £8,722.5, with the contango narrowing to £110, while Commission House profit-taking, after recent producer price rises, saw Zinc retreat from around £594 to close at £587.25.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1057.5-8	−1.75	1063.5-4.5	+2.5
3 months	1084.5-5	−2	1090.5-1	+2.5
Settlem't	1058	−2	—	......
Cathodes				
Cash	1027-.5	−.5	1031.5-2.5	+4.5
3 months	1053-.5	−1	1058.5-9	+4.25
Settlem't	1027.5	−.5	—	......
U.S. prod.	—	—	*77-81	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,058, three months £1,086, 85.50, 85. Cathodes: Cash £1,028, 27.50, three months £1,053.50. Kerb: Higher Grade: Three months £1,085, 84.50, 85. Afternoon: Higher Grade: Three months £1,090, 91, 90.50, 90, 91, 90.50, 91. Kerb: Higher Grade: Three months £1,090, 90.50, 91, 92, 91.50, 92, 93. Turnover: 41,175 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8595-600	+22.5	8605-15	+30
3 months	8715-20	+10	8730-5	+25
Settlem't	8600	+20	—	......
Standard.				
Cash	8590-6	+27.5	8600-10	+27.5
3 months	8710-5	+21	8723-5	+21.5
Settlem't	8596	+30	—	......
Straits E.	$30.16	−0.15	—	......
New York				

Tin—Morning: Standard: Cash £8,596, 95, 90, three months £8,705, 15, 10. High Grade: Three months £8,715. Kerb: Standard: Three months £8,710, 15, 20. Afternoon: Standard: Three months £8,725, 30, 25, 26, 25. High Grade: Three months £8,725. Kerb: Standard: Three months £8,726, 27, 25. High Grade: Three months £8,730. Turnover: 4,440 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	262.5-.75	−.625	263-.5	−1
3 months	272-.25	−1	273-.25	−.75
Settlem't	262.75	−.75	—	......
U.S. Spot	—	......	*19-24	......

Lead—Morning: Cash £262.50, 62.75, three months £272.50, 72, 72.25, 72.50, 72.25. Kerb: Three months £272.50. Afternoon: Three months £273, 72.75, 73, 73.25. Kerb: Three months £273.50, 73, 72.75. Turnover: 9,675 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	571.5-2.5	−7.5	570-1	−9
3 months	595-.5	−7	586.5-7	−9.25
Settlem't	580	−7.5	—	......
Primw'ts	—	......	*43-.75	......

Zinc—Morning: Three months £585, 84.50, 84, 84.50, 85, 85.50, 86, 88, 89, 89.50, 89, 88.50. Kerb: Three months £588, 87.50, 87, 86. Afternoon: Three months £587, 87.50, 87, 88, 88.50, 88, 87. Kerb: Three months £586.50, 87. Turnover: 11,750 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1099-100	......	1100.5-1	−3
3 months	1127.5-8	−.5	1129.5-30	−2

Aluminium—Morning: Three months £1,128.50, 28, 28.50, 28.50, 27, 27.50, 28, 27.50. Kerb: Three months £1,127.50, 27. Afternoon: Cash £1,101, three months £1,131, 30, 29, 28.50, 29, 29.50. Kerb: Three months £1,129, 30, 31, 32, 31.50, 32, 33. Turnover: 17,475 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3340-5	−7.5	3348-51	−3
3 months	3427-30	−8	3435-8	−3

Nickel—Morning: Cash £3,335, 38, 39, 40, three months £3,435, 30, 25, 27. Kerb: Three months £3,435, 40, 35. Afternoon: Three months £3,445, 40, 35. Kerb: Three months £3,430, 35, 40. Turnover: 1,390 tonnes.

SILVER

LME—Turnover: 104 (119) lots of 10,000 ounces. Morning: Three months 829.0, 29.1, 29.0. Kerb: Three months 830.0. Afternoon: Three months 834.0. Kerb: Three months 834.0, 33.0, 32, 834.0, 33.0, 32.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	809.85p	+6.50	814.5p	+11.7
3 months	828.30p	+6.50	834.5p	+11.7
6 months	848.10p	+6.40	—	......
12months	888.60p	+6.65	—	......

Silver was fixed 6.5p an ounce lower for spot delivery in the London bullion market at 809.85p. U.S. equivalents of the fixing levels were: spot $11.99, up 17c; three-month $12.285, up 17c; six-month $12.773, up 17.1c; and 12-month $13.411, up 15.5c. The metal opened at 811½p-814p an ounce ($12.16-$12.20) and closed at 814p-816½p an ounce ($12.21-$12.25).

COCOA

The market experienced a sharp decline which took prices through the recent lows. A combination of trade and speculative selling was responsible for the limit-down move during the morning. The afternoon saw fresh liquidation causing the market to close near the lows.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Sept.	1424-30	−56.5	1468-28
Dec.	1466-67	−58.0	1506-61
March	1468-69	−65.0	1507-68
May	1479-80	−65.0	1519-80
July	1490-95	−61.5	1531-04
Sept.	1504-05	−64.0	1540-05
Dec.	1513-15	−63.5	1547-15

Sales: 8,104 (4,456) lots of 10 tonnes.

ICCO—Indicator prices (U.S. cents per pound): Daily price for Sept 1: 96.69 (100.48); five-day average for Sept 2: 99.68 (100.33).

COFFEE

After a steadier opening robustas traded within a narrow range in a dull morning session, reports Drexel Burnham Lambert. Heavy trade and commission house liquidation produced a £20 fall from the highs late in the afternoon.

COFFEE	Yest'day's Close	+ or —	Business Done
Sept.	1703-05	−23.5	1730-03
Nov.	1693-94	−21.0	1716-91
January	1680-82	−13.0	1699-80
March	1659-61	−9.0	1663-47
May	1620-21	−9.0	1633-20
July	1602-05	−4.5	1610-02
Sept.	1580-88	−12.0	1598-95

Sales: 3,898 (2,668) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for August 31: Comp. daily 1979 126.17 (126.28); 15-day average 125.84 (125.69).

GRAINS

WHEAT Mnth.	Yestrday's close	+ or —	BARLEY Yest'day's close	+ or —
Sep.	122.95	+0.15	115.65	+0.40
Nov.	124.90	+0.30	118.80	+0.30
Jan.	127.85	+0.25	122.20	+0.25
Mar.	130.50	+0.25	124.90	+0.30
May	133.15	+0.15	127.30	+0.30
July	136.40	+0.20	—	—

Business done—Wheat: Sept 123.40-3.00, Nov 125.20-4.90, Jan 128.20-7.80, March 130.85-30.50, May 133.60-3.20, July 136.80-6.40. Sales: 268 lots of 100 tonnes. Barley: Sept 115.75-5.60, Nov 119.00-8.80, Jan 122.50-2.20, March 125.30-4.90, May 127.70-7.40. Sales: 228 lots of 100 tonnes.

Wheat rose 70p early in the day but met merchant selling resistance. Barley held around 50p up for most of day closing a little easier, reports Muirpace.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 114.00, S. West 115.20, W. Mids 115.40, N. East 112.00. The UK monetary coefficient for the week beginning Monday September 5 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 14 per cent Sept 135.25, Oct 136.25, Nov 137.35 transhipment east coast sellers. English feed fob Sept 124, Oct/Dec 128 east coast sellers. Maize: French Sept 144 transhipment east coast seller. Barley: English feed fob Nov/Dec 124 east coast seller, Sept 118.25 paid Peterhead. Rest unquoted.

POTATOES

The market initially rallied but then declined on profit-taking, reports Coley and Harper.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov.	166.80	162.20	168.90-62.0
Feb.	198.30	195.00	199.10-96.0
April	229.00	227.00	235.50-25.8
May	232.80	234.00	241.50-32.8
Nov.	85.50	85.50	—

Turnover: 1,389 (1,724) lots of 40 tonnes.

RUBBER

The physical market opened easier, attracted little interest throughout the day and closed uncertain, reported Lewis and Peat. The Kuala Lumpur September fob price for RSS No. 1 was 266.5 cents a kg and for SMR20 228.0.

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Oct.	795-797	803-804	796-795
Nov.	790-800	790-800	—
Oct-Dec	790-791	793-795	792-791
Jan-Mch	812-814	816-817	814-811
Apl-Jne	830-832	833-834	832-831
Jly-Sept	850-851	853-853	851-850
Oct-Dec	869-871	868-873	871-869
Jan-Mch	889-891	888-890	890
Apl-Jne	910-911	905-910	910

Sales: 97 (173) lots of 15 tonnes 21 (30) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 79.00p (79.25p); Oct 80.75p (81.00p); Nov 81.25p (81.50p).

SOYABEAN MEAL

The market opened limit-up in active trade, reports T. G. Roddick. Strong cash markets and fresh buying boosted values further before some profit-taking tempered gains.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	191.50-92.00	+4.65	194.00-91.00
Dec.	196.50-97.00	+4.60	199.00-95.10
Feb.	199.50-01.00	+5.70	201.00-98.00
April	197.00-00.00	+4.00	—
June	192.00-97.50	+3.25	—
August	193.00-98.00	+3.75	—
October	185.00-96.00	+2.50	—

Sales: 615 (402) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £160.50 (£164.00) a tonne for Sept-Oct shipment. White sugar £181.50 (184.00).

Prices were contained within a narrow trading range in quiet conditions, reports C. Czarnikow.

No.4 Contract	Yest day's close	Previous close	Business done
	£ per tonne		
Oct.	173.25-73.50	174.90	175.50-72.00
Dec.	181.00-81.50	182.50-83.00	181.50-79.00
Mar.	192.00	194.75-95.00	195.00-90.75
May	197.00-97.25	199.00-99.75	198.00-95.75

Sales: 3,268 (2,297) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.9 (same) a tonne for home trade and £270.50 (£274.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 31: Daily price 9.96 (9.83); 15-day average 10.22 (10.34).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 419, 423, 421-420; Dec 421, 425, 424-423; Jan 422, 426, 424-423; Mar 423, 427, 434-432; May 443, 47, 445-444; Aug 456, 460, 457; Oct 459, 462, 460-459; Dec 464, 468, 466-465; Jan 464, 469, 467-466; Mar 471, 476, nil. Sales: 72.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 560.0, 561.5, 561.0-561.0; Dec 569.5, 570.0, 570.5-570.0; Mar 585.0, 588.0, 588.0-; May 600.0, 604.0, untraded; July 615.0, 618.0, 616.0-615.0; Oct 607.0, 612.0, u/t; Dec 616.0, 620.0, u/t; Mar 616.0, 630.0, u/t. Sales: 38.

COTTON

LIVERPOOL—No spot or shipment sales were registered. The diminution in demand continued, and business was at minimal levels. Few contracts were mentioned, and the volume of interest on forward account was severely restricted. Minor purchases were sought in specialist growths.

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 77.0 to 81.0; English hindquarters 88.0 to 94.0, forequarters 52.0 to 56.0. Lamb: English small 58.0 to 64.0, medium 56.0 to 60.0, heavy 54.0 to 56.0; Imported: New Zealand PL 57.8 to 58.5. Pork: English under 100lb 38.0 to 50.0, 100-120lb 48.0 to 49.0, 120-160lb 41.5 to 48.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.45p per kg lw (+1.23). GB—Sheep 118.02p per kg est dcw (+0.49). GB—Pigs 69.18p per kg lw (+2.24).

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £4.00-£6.00, codlings £3.00-£4.00; large haddock £3.80-£4.40, medium £2.40-£3.20, small £2.20-£3.20; large plaice £4.00-£5.00, medium £4.00-£5.20, best small £3.40-£5.20; skinned dogfish (large) £8.00, (medium) £3.00; lemon sole (large) £8.00, (small) £3.05; rockfish £1.80.

INDICES

FINANCIAL TIMES

Aug. 31	Aug. 30	M'th ago	Y'ar ago
293.02	292.19	288.09	227.99

(Base: July 1 1952=100)

REUTERS

Sept. 1	Aug. 31	M'th ago	Y'ar ago
1909.0	1911.2	1942.4	1527.9

(Base: September 18 1931=100)

MOODY'S

Aug. 31	Aug. 30	M'th ago	Y'ar ago
1083.1	1082.8	1076.4	1000.6

(December 31 1931=100)

DOW JONES

Dow Jones	Aug. 31	Aug. 30	Month ago	Year Ago
Spot	—	145.12	144.98	125.68
Fut'rs	—	151.21	150.01	128.82

(Base: December 21 1974=100)

COVENT GARDEN—Prices for the bulk of produce, in sterling per package, except where otherwise stated. Imported Produce: Tambors—Outspan: 6.00-6.50. Tangerines—Brazilian: Honey, tray 4.70-5.20; Australian: Ellendales, carton 10.00-11.00. Oranges—Outspan: Valencia Lates 40 6.00, 48 6.80, 56 7.70, 72 7.40, 88 7.00, 112 8.10, 138 5.80, 150 5.00; Brazilian: Peras 3.80-4.00, Navels 5.20-5.50. Lemons—Outspan: carton 14.00-15.00; Uruguayan: carton 15.50-16.00; Spanish: 5 kg 5.00-5.50; Italian: carton 9.00-10.00. Grapefruit—Outspan: 27 5.70, 32 6.70, 36 6.90, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: box 6.70-7.40. Apples—French: Golden Delicious (new crop) carton 7.40-7.50; Spanish: Golden Delicious (new crop) 6.80-7.00, Granny Smith 11.50-11.80. Pears—French: per pound Williams 0.14-0.15; Italian: William 0.15-0.20; Spanish: Williams 0.16-0.20. Grapes—Italian: per pound Regina 0.22-0.25, Alphonse 0.35-0.36, Italia 0.38-0.40; Spanish: Italia 0.35-0.40, Alphonse 0.25-0.26; Greek: Sultana 0.22-0.24; French: Alphonse 0.30-0.32. Peaches—Italian: large trays 2.40-3.00; French: 1.60-2.80. Nectarines—Italian: large trays 3.50-4.80. Plums—Italian: per pound giants 0.18-0.20, Stanley 0.16-0.18, President 0.22-0.24; French: President per pound 0.20-0.25. Gages—Spanish: tray 2.00-2.40; French: large trays 4.50-5.00. Watermelons—Spanish: 15 kg 3.60-3.80. Melons—Spanish: Yellow 10 kg 2.80-3.20; French: large trays, Charentais 5.00-5.50, Galia large trays 4.00-4.50. Bananas—Colombian 40-lb boxes 10.80-11.00. Avocados—South African: 5.50-6.00; Kenyan: 5.00-5.50. Pawpaws—Brazilian: 7.00-7.50. Mangoes—Mexican: box 8.00-9.00; Israeli: 8.00-8.50. Fennel—Dutch: 5 kg 5.20-5.50. Kiwifruit—New Zealand, 6.20-6.50. Tomatoes—Dutch: tray 2.00-2.10, Beefsteak 3.50-3.60. Aubergines—Dutch: 5 kg 2.80-3.00. Onions—Spanish: Grano 25-kg nets 3.80-4.00; Dutch: 50/70mm 4.00-4.20. Capsicums—Dutch: Yellow 7.50, Green 3.50, Red 4.50-6.00. Cabbages—Dutch: Red 8.00, White 8.50. Courgettes—Jersey: 12 lb 2.10-2.40. Potatoes—Cypriot: 44-lb bag 4.50-4.60. Sugar Peas—Kenyan per pound 2.00. Globe Artichokes—French: 24s 6.20-6.60. Lettuces U.S.: Iceberg 30s 18.00.

English Produce: Apples—per pound, Bramley new season 0.12-0.15, Howgate 0.09-0.10, Discovery 0.12-0.20, Tydeman's Worcester 0.15-0.18. Pears—Williams per pound 0.10-0.12, Conference .14-0.15. Strawberries—8 oz 0.40-0.60, according to condition. Raspberries—4-oz punnets 0.50-0.60, according to quality. Blackberries—8 oz 0.20-0.22. Plums—per pound Belles 0.14-0.15, Damsons 0.18-0.20, Victorias 0.20-0.22, Pershore 0.10. New Potatoes—4.80-5.20. Mushrooms—per pound, open 0.60-0.70, closed 1.00-1.20. Lettuces—per tray, round, 1.20-1.60, Webb's 2.20-2.40, Cos 1.80-2.00, Iceberg, per dozen 6.00-7.00. Onions—per 55 lb 3.50-4.00. Cabbages—per 25 lb Primo 3.50-4.00. Greens—28 lb Kent 2.40-2.60. Cauliflowers—12s Lincoln 3.00-3.60. Cucumbers—1.60-2.40. Tomatoes—Hothouse, 12 lb 1.70-1.80. Celery —3.50-4.50. Beetroots—28 lb 3.40-3.60. Turnips—28 lb 3.50. Stick beans—per pound 0.12-0.18. Swedes—28 lb 3.00. Sugar Peas—per pound 1.60-2.00. Capsicums—Green, per pound, 0.22-0.25. Corncobs—each 0.08-0.14. Leeks—per pound 0.30. Carrots—28 lb 2.50-3.00. Parsnips—28 lb 3.50-3.60.

AMERICAN MARKETS

NEW YORK, September 1.

Reports of a missile attack by the Soviets against a civilian airliner had an extremely diverse impact on the markets. After providing an early strong opening in precious metals, both gold and silver sold off during the day, trading only fractionally higher going into the close. Copper was sharply higher as speculative buying developed on a steadier tone in sterling and on expectations of better demand later this year. Heating oil came under trade selling as concern about Saudi selling intentions mounted. Sugar prices recovered on reports of low test weights and yields in Europe and on late tenders by the Dominican Republic which brought in better prices than expected. Cocoa prices declined moderately on arbitrage selling and on light origin selling. Cotton came under sympathetic pressure with the grains. Grains and soyabeans were either limit-down or sharply lower as rumours of the downed Korean plane revived fears that the U.S. might impose a grain embargo or suspend trade with the Soviets. The markets are awaiting official announcements. In the meantime, the prevailing mood is one of uncertainty with many of the traders lightening up on their positions, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Sept	1980	2025	1980	2050
Dec	2035	2048	2007	2093
March	2060	2076	2036	2113
May	2075	2095	2062	2122
July	2076	2105	2076	2140
Sept	2135	2135	2095	2150
Dec	2140	2150	2135	2169

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	131.95	132.35	131.75	131.71
Dec	129.85	130.50	129.60	129.90
March	127.70	128.05	127.60	127.55
May	125.75	126.05	126.00	125.90
July	124.75	124.65	124.50	124.23
Sept	122.55	—	—	122.03
Dec	121.54	121.50	121.50	121.13

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	72.45	72.50	71.95	71.65
Oct	73.10	—	—	72.35
Nov	73.85	—	—	73.10
Dec	74.55	74.70	74.15	73.85
Jan	75.30	74.95	74.95	74.60
March	76.80	76.95	76.35	76.10
May	78.25	78.30	78.00	77.60
July	79.65	79.90	79.35	79.05
Sept	81.05	81.20	80.70	80.50
Dec	83.05	83.00	83.00	82.65

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	79.65	80.90	79.60	80.00
Dec	80.91	82.27	80.77	81.61
March	81.92	83.10	81.85	82.52
May	82.63	83.30	82.60	82.80
July	82.80	83.25	82.75	83.00
Oct	77.60	78.10	77.60	77.75

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	415.4	—	—	414.4
Oct	418.7	420.5	418.5	417.7
Nov	422.2	—	—	421.2
Dec	425.8	427.5	425.5	424.8
Feb	433.4	435.1	433.0	432.4
April	441.3	442.3	441.0	440.3
June	449.4	451.2	449.8	448.4
August	457.7	459.0	458.0	—
Oct	466.1	—	—	465.1
Dec	474.6	—	—	473.6
Feb	483.2	484.0	483.0	482.2
April	492.0	492.8	492.8	491.0
June	501.0	—	—	500.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Oct	84.50	85.05	84.50	85.26
Nov	85.40	85.70	85.25	85.83
Dec	86.05	86.40	85.80	86.53
Jan	86.20	86.35	85.80	86.52
Feb	85.00	85.10	84.80	85.35
March	83.50	83.70	83.20	83.90

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	1211.5	1228.0	1210.0	1210.0
Oct	1220.0	—	—	1219.0
Dec	1242.0	1259.0	1239.0	1241.0
Jan	1253.3	—	—	1252.3
March	1275.8	1292.0	1273.0	1274.8
May	1298.8	—	—	1297.8
July	1321.8	1326.0	1325.0	1320.8
Sept	1344.5	1362.0	1362.0	1343.5
Dec	1378.5	1400.0	1385.0	1377.8

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	10.55	10.60	10.39	10.39
Jan	11.15	11.15	11.10	11.05
March	11.83	11.84	11.66	11.63
May	12.11	12.17	11.89	11.99
July	12.35	12.38	12.24	12.27
Oct	12.84	12.84	12.70	12.66
Jan	12.84	—	—	12.66

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	56.50	56.60	56.02	55.97
Dec	57.57	57.60	56.85	56.90
Feb	59.32	59.42	58.52	58.90
April	61.65	61.75	61.22	61.30
June	63.42	63.70	63.30	63.25
August	62.75	63.0	62.75	—

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	42.80	43.50	42.50	43.05
Dec	41.92	42.65	41.55	42.35
Feb	45.92	46.80	45.50	46.37
April	46.85	47.60	46.40	47.25
June	53.30	53.75	52.57	53.55
July	53.75	54.50	53.55	54.02
Aug	52.77	53.75	52.77	—
Oct	52.35	52.50	52.32	52.15
Dec	53.27	53.30	53.27	53.10

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Sept	351.4	359.0	348.0	356.2
Dec	355.4	361.4	349.4	359.4
March	365.0	371.0	358.4	369.4
May	368.0	377.0	364.4	374.4
July	369.0	377.4	365.0	374.4
Sept	340.0	349.4	337.0	346.4
Dec	315.0	322.0	311.0	320.0

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	438.1	441.0	437.0	436.1
Oct	441.1	444.5	440.5	439.6
Jan	447.8	451.0	447.0	446.6
April	454.3	457.0	455.5	453.8
July	462.5	464.0	463.5	462.1

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	63.32	64.15	62.52	63.55
March	63.45	64.30	62.75	63.77
May	65.12	65.85	64.40	65.37
July	65.40	66.50	65.20	65.42
Aug	63.20	64.80	63.20	—

SOYABEANS 5,000 bu min, cents/60lb bushel

	Close	High	Low	Prev
Sept	869.4	906.0	869.4	899.4
Nov	881.4	919.0	881.4	911.4
Jan	892.4	930.4	892.4	922.4
March	901.4	938.0	901.4	931.4
May	900.0	941.0	900.0	930.0
July	894.0	932.4	894.0	924.0
August	864.0	902.0	864.0	894.0
Sept	777.0	813.0	776.0	806.0
Nov	717.0	753.0	713.4	743.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	232.5	243.0	227.0	239.8
Oct	233.0	243.0	229.8	239.6
Dec	235.5	245.5	232.2	242.2
Jan	236.5	246.0	232.8	242.8
March	237.0	247.0	233.7	243.7
May	239.0	248.5	234.0	244.0
July	239.0	249.0	235.0	245.0
August	225.0	237.6	222.0	231.7
Sept	226.0	236.5	223.0	233.0
Oct	216.0	225.0	214.0	224.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Sept	31.80	34.00	31.75	33.45
Oct	32.55	34.15	32.55	33.55
Dec	32.67	34.15	32.67	33.87
Jan	32.50	33.90	32.50	33.50
March	32.40	33.90	32.40	33.40
May	31.75	33.25	31.75	32.75
July	31.25	32.50	31.25	32.25
August	29.82	31.00	29.82	30.82
Sept	27.05	28.00	27.05	28.05
Oct	25.13	25.75	25.13	26.13

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Sept	384.0	391.0	380.4	388.6
Dec	406.0	412.0	400.6	410.2
March	420.0	427.0	415.0	426.2
May	426.2	432.0	421.0	431.2
July	415.4	421.4	411.0	421.4
Sept	421.4	426.0	419.0	426.0

SPOT PRICES—Chicago loose lard 28.00 (same) cents per pound. New York tin 592.0-604.0 (592.0-599.0) cents per pound.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous in thin trading

The dollar drifted around rather nervously ahead of today's U.S. M1 money supply announcement, and closed near its best levels of the day on expectations that the M1 figure will show a rise of about $1bn. Trading was generally thin however ahead of the long holiday weekend in the U.S., and central banks may have been tempted to intervene in these conditions to prevent any exaggerated moves in favour of the dollar.

DOLLAR — Trade-weighted index (Bank of England) 129.4 against 121.0 six months ago. The latest figures on money supply have given rise to cautious optimism, although fears remain about a September bulge in M1. The dollar has recently been at record levels on fears of higher U.S. interest rates, as a result of the U.S. Budget deficit and money supply growth.

The dollar fell to DM 2.6950 from DM 2.6970 against the D-mark; but was unchanged at FFr 8.11 against the French franc, and climbed to SwFr 2.1870 from SwFr 2.1860 in terms of the Swiss franc, and to Y246.50 from Y246.25 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. August average 1.5027. Trade-weighted index 85.5 against 85.5 at noon, 85.4 at the opening, 85.2 at the previous close, and 80.0 six months ago. The pound has been fairly steady and firm of late, despite the volatility of the dollar. The absence of the Bank of England in international central bank intervention intended to stop the dollar's rise caused only a temporary softening of sterling, which has generally held up well against the U.S. currency and Continentals.

Sterling was firm, trading within a narrow range. It closed at $1.4985-1.4995, a rise of 50 points on the day. The pound opened at the same level and traded between $1.4960 and $1.5040. Sterling also improved to DM 4.0425 from DM 4.0325; to FFr 12.1550 from FFr 12.1125; to SwFr 3.28 from SwFr 3.2875; and to Y370 from Y368.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. August average 2.6736. Trade-weighted index 125.2 against 128.3 six months ago. Until the recent slowdown in U.S. M1 money supply growth the dollar was at its highest level for nearly 10 years against the D-mark, reflecting the large differential between U.S. and German interest rates. Continued fears about M1 are pushing the dollar up once again, possibly prompting further central bank intervention if recent levels are breached.

The Bundesbank did not intervene when the dollar was fixed at DM 2.6867, compared with DM 2.7068 in Frankfurt on Wednesday. The dollar opened at DM 2.6935 following unexpected intervention by the Federal Reserve overnight to add money market funds by system repurchase agreements. Trading was fairly quiet, despite rumours that the central bank may have intervened in the open market to sell a small amount of dollars. Sterling fell to DM 4.0350 from DM 4.0390 at

JAPANESE YEN — Trading range against the dollar in 1983 is 246.90 to 226.80. August average 244.39. Trade-weighted index 146.2 against 144.1 six months ago. The yen remains around its lowest level of the year against the dollar, after showing signs of recovery following better U.S. M1 money supply figures.

The yen rose slightly against the dollar in Tokyo, closing at Y246.12, compared with Y246.72. The U.S. currency opened at Y245.70, and rose to a peak of Y246.30, following a move to buy dollars during the morning when the U.S. currency opened at its lowest level of the week. In the afternoon the dollar moved within a range of Y246.05 to Y246.20, while the D-mark rose slightly to Y91.41 from Y91.34.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.8136	+2.03	+1.20	±1.5447
Danish Krone	8.14104	8.19855	+0.71	−0.12	±1.6425
German D-Mark	2.24184	2.27881	+1.65	+0.82	±1.0642
French Franc	6.87456	6.86144	−0.19	−1.02	±1.4052
Dutch Guilder	2.52595	2.54920	+0.92	+0.09	±1.4964
Irish Punt	0.72569	0.724767	−0.13	−0.96	±1.6699
Italian Lira	1403.49	1360.00	−3.10	−3.10	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 1	£	$		£ Note Rates
Argentina Peso	16.91-16.96	11.268-11.282	Austria	28.25-28.55
Australia Dollar	1.7085-1.7105	1.1395-1.1405	Belgium	81.25-82.05
Brazil Cruzeiro	1003.33-1,008.52	668.0-671.0	Denmark	14.44-14.53
Finland Markka	8.6043-8.6275	5.7425-5.7475	France	12.10-12.22
Greek Drachma	138.80-139.25	92.10-92.40	Germany	4.02-4.06
Hong Kong Dollar	11.33-11.35	7.5600-7.5650	Italy	2380-2415
Iran Rial	131.95*	88.25*	Japan	368-373
Kuwait Dinar (KD)	0.438-0.439	0.29215-0.2922	Netherlands	4.49½-4.53½
Luxembourg Fr.	81.20-81.30	54.15-54.17	Norway	11.19-11.29
Malaysia Dollar	3.5275-3.5375	2.3545-2.3565	Portugal	182-205
New Zealand Dlr.	2.3045-2.3095	1.5385-1.5405	Spain	219½-234½
Saudi Arab. Riyal	5.2215-5.2300	3.4790-3.4820	Sweden	11.82-11.92
Singapore Dollar	3.2125-3.2225	2.1435-2.1455	Switzerland	3.25-3.29
Sth. African Rand	1.6860-1.6890	1.1260-1.1265	United States	1.49¼-1.51¼
U.A.E. Dirham	5.5115-5.5170	3.6720-3.6730	Yugoslavia	190-204

* Selling rates.

CURRENCY MOVEMENTS

Sept. 1	Bank of England Index	Morgan Guaranty Change %
Sterling	85.5	−5.6
U.S. dollar	129.4	+17.5
Canadian dollar	92.9	+1.4
Austrian schilling	116.4	+3.4
Belgian franc	91.0	−10.9
Danish kroner	79.5	−5.3
Deutsche mark	125.2	+6.4
Swiss franc	150.5	+11.8
Guilder	115.3	+3.9
French franc	67.7	−14.5
Lira	50.2	−10.6
Yen	146.2	+5.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

SEPT. 1	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.697430	0.564324
U.S. $	8½	1.04761	0.847614
Canadian $	9.57	*	1.04502
Austria Sch	3¾	19.7894	16.0030
Belgian F	9	56.6076	45.8136
Danish Kr	7½	10.1293	8.19855
D mark	4	2.81461	2.27881
Guilder	4½	3.14807	2.54920
French F	9½	8.47674	6.86144
Lira	17	1680.89	1360.00
Yen	5½	257.869	208.725
Norwgn Kr	9	7.85717	6.35973
Spanish Pta	—	159.334	128.955
Swedish Kr	8½	8.28450	6.70717
Swiss Fr	4	2.28431	1.84992
Greek Dr'ch	20½	96.8568	78.3789

*C$/SDR rate for Aug 31 1.28874.

THE POUND SPOT AND FORWARD

Sept 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4960-1.5040	1.4985-1.4995	0.02-0.07c dis	−0.36	0.20-0.25dis	−0.60
Canada	1.8450-1.8550	1.8475-1.8485	0.05c pm-0.05 dis	—	.03 pm-.07d	−0.04
Nethlnd.	4.50-4.53	4.51½-4.52½	1¾-1½c pm	3.65	4¼-3¾ pm	3.43
Belgium	80.90-81.40	81.20-81.30	8c pm-2 dis	0.44	8 pm-2 dis	0.15
Denmark	14.49-14.55	14.53½-14.54½	2½-4½ore dis	−2.84	6-6¾ dis	−1.65
Ireland	1.2800-1.2870	1.2835-1.2845	0.24-0.26p dis	−2.34	0.66-0.71dis	−2.13
W. Ger.	4.02½-4.05	4.03¾-4.04¾	1¾-1½pf pm	4.45	4¼-3¾ pm	3.98
Portugal	185.50-187.00	186.00-186.50	145-410c dis	−17.88	445-1165dis	−17.29
Spain	227.75-228.75	228.35-228.55	280-350c dis	−16.02	930-1165dis	−18.25
Italy	2,404-2,414	2,411-2,413	14¾-16¾lire dis	−7.83	48-51 dis	−8.21
Norway	11.21-11.25	11.22¾-11.23¾	2⅞-3⅞ore dis	−3.47	8⅞-9¾ dis	−3.32
France	12.12½-12.17½	12.15-12.16	3¾-4¾c dis	−3.70	16-18 dis	−5.59
Sweden	11.84-11.89	11.86-11.87	2-2½ore dis	−2.27	5-5½ dis	−1.81
Japan	367½-371	369½-370½	0.95-0.75y pm	2.76	2.75-2.55 pm	2.86
Austria	28.25-28.45	28.38-28.43	10¾-9gro pm	4.14	26¼-24¾ pm	3.58
Switz.	3.26-3.29	3.27½-3.28½	1½-1¼c pm	5.49	4¼-3⅞ pm	5.03

Belgian rate is for convertible francs. Financial franc 81.60-81.70. Six-month forward dollar 0.41-0.46c dis. 12-month 0.73-0.83c dis.

THE DOLLAR SPOT AND FORWARD

Sept 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4960-1.5040	1.4985-1.4995	0.02-0.07c dis	−0.36	0.20-0.25dis	−0.60
Ireland†	1.1650-1.1710	1.1665-1.1675	0.35-0.31c pm	3.41	0.90-0.80 pm	2.91
Canada	1.2320-1.2335	1.2325-1.2330	0.10-0.08c pm	0.88	0.24-0.21 pm	0.73
Nethlnd.	3.0055-3.0170	3.0150-3.0170	1.02-0.92c pm	3.87	3.03-2.93 pm	3.96
Belgium	54.00-54.20	54.15-54.17	4½-3½c pm	0.89	11-8 pm	0.70
Denmark	9.6675-9.6925	9.6825-9.6875	1½-2ore dis	−2.17	½ pm-par	0.10
W. Ger.	2.6855-2.6975	2.6945-2.6955	1.03-0.98pf pm	4.47	3.08-3.03 pm	4.53
Portugal	124.00-124.80	124.40-124.70	100-275c dis	−18.13	300-760dis	−17.08
Spain	152.00-152.60	152.25-152.45	160-195c dis	−13.99	600-700dis	−17.08
Italy	1,603½-1,609	1,607¾-1,608¼	10-10½lire dis	−7.85	30½-32 dis	−7.77
Norway	7.4780-7.4950	7.4875-7.4925	1.80-2.10ore dis	−3.13	5.00-5.30dis	−2.75
France	8.0900-8.1150	8.1075-8.1125	2.00-2.15c dis	−3.07	9.85-10.25dis	−4.95
Sweden	7.9050-7.9175	7.9100-7.9150	1.15-1.35ore dis	−1.89	2.30-2.50dis	−1.21
Japan	245.70-246.60	246.45-246.55	0.70-0.60y pm	3.16	2.18-2.08 pm	3.46
Austria	18.87-18.95	18.93½-18.94½	7.50-6.70gro pm	4.50	22-19½ pm	4.39
Switz.	2.1765-2.1880	2.1865-2.1875	1.08-1.03c pm	5.79	3.13-3.08 pm	5.68

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 54.405-54.505.

EXCHANGE CROSS RATES

Sept. 1	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.499	4.043	370.0	12.155	3.280	4.520	2412.	1.848	81.25
U.S. Dollar	0.667	1.	2.697	246.0	8.109	2.188	3.015	1609.	1.233	54.20
Deutschmark	0.247	0.371	1.	91.53	3.007	0.811	1.118	596.7	0.457	20.10
Japanese Yen 1,000	2.703	4.051	10.93	1000.	32.85	8.865	12.22	6519.	4.995	219.5
French Franc 10	0.823	1.233	3.326	304.4	10.	2.698	3.718	1984.	1.520	66.84
Swiss Franc	0.304	0.457	1.232	112.8	3.706	1.	1.378	735.4	0.563	24.77
Dutch Guilder	0.221	0.332	0.894	81.86	2.689	0.726	1.	533.6	0.409	17.98
Italian Lira 1,000	0.415	0.621	1.676	153.4	5.039	1.360	1.874	1000.	0.766	33.69
Canadian Dollar	0.541	0.811	2.188	200.2	6.577	1.775	2.446	1305.	1.	43.97
Belgian Franc 100	1.231	1.845	4.975	455.4	14.96	4.037	5.563	2969.	2.274	100.

FINANCIAL FUTURES

Eurodollars firm

Eurodollars were very firm on the London International Financial Futures Exchanges yesterday, with December delivery finishing at the day's high of 89.28 after opening at 89.18, compared with the previous settlement price of 89.15, and touching a low of 89.16. Market confidence was encouraged by a firm opening on the IMM in Chicago, although gains in the U.S. were reported to be largely a technical reaction.

At the same time the mood of traders was buoyed by an early fall of ¼ per cent to 9½ per cent in the Federal funds rate, and by the success of Wednesday's $8bn auction of U.S. Treasury five-year notes.

On the other hand the market remained nervous about today's U.S. M1 money supply announcement, despite the fact that a rise of $1bn has already been discounted by the foreign exchanges and other financial markets.

Gilt-edged stocks showed small gains in the cash market, but this was not reflected on Liffe where December gilts closed at 103-08, compared with 103-11 previously. The December contract opened at the day's peak of 103-17, but finished near the low of 103-06.

Short sterling deposit futures had a better day, however, encouraged by the strength of the pound on the foreign exchanges. December delivery closed at the day's high of 89.84, compared with Wednesday's close of 89.77. It opened at the day's low of 89.80.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	89.90	89.91	89.81	89.79
Dec	89.28	89.28	89.16	89.15
March	88.98	88.98	88.97	88.88
June	88.78	88.78	88.71	88.67
Sept	88.48	—	—	88.39

Volume 2,405 (2,243)
Previous day's open int. 5,556 (5,749)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Sept	90.30	90.30	90.26	90.23
Dec	89.84	89.84	89.80	89.77
March	89.45	89.46	89.45	89.44
June	89.21	89.24	89.17	89.16
Sept	89.10	—	—	89.05

Volume 306 (540)
Previous day's open int. 4,153 (4,015)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Sept	101-10	101-16	101-06	101-10
Dec	103-08	103-17	103-06	103-11
March	102-28	—	—	102-31
June	102-14	—	—	102-17
Sept	102-00	—	—	102-03

Volume 1,237 (3,272)
Previous day's open int. 4,760 (4,634)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) 02 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.5002	1.5035	1.4988	1.4929
Dec	1.5025	1.5060	1.5020	1.4952
March	1.5045	1.5076	1.5045	1.4980

Volume 247 (676)
Previous day's open int. 1,162 (1,383)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3715	0.3727	0.3715	0.3715
Dec	0.3758	0.3769	0.3755	0.3758
March	0.3797	—	—	0.3797

Volume 49 (38)
Previous day's open int. 513 (418)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.4582	0.4593	0.4582	0.4577
Dec	0.4646	0.4659	0.4643	0.4637
March	—	—	—	—

Volume 14 (6)
Previous day's open int. 255 (253)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4059	0.4069	0.4059	0.4065
Dec	0.4097	0.4104	0.4097	0.4103
March	—	—	—	—

Volume 33 (71)
Previous day's open int. 286 (281)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	69-31	70-10	69-31	69-25
Dec	69-15	69-25	69-13	69-07
March	68-31	69-08	68-30	68-24
June	68-19	68-28	68-19	68-12
Sept	68-09	68-16	68-09	68-02
Dec	68-00	68-09	68-00	67-25
March	—	—	—	67-17
June	67-17	67-20	67-17	67-10
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	—	—	—	90.74
Dec	90.15	90.22	90.13	90.08
March	89.82	89.88	89.82	89.79
June	89.63	89.69	89.61	89.59
Sept	89.42	89.50	89.42	89.40
Dec	89.26	89.34	89.25	89.24
March	89.16	89.17	89.10	89.10
June	89.00	89.02	89.00	88.99

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	90.12	90.15	90.09	90.04
Dec	89.41	89.50	89.40	89.37
June	88.85	88.90	88.84	88.82

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	89.59	89.61	89.56	89.52
Dec	88.97	89.04	88.97	88.94
March	88.67	88.72	88.65	88.63
June	88.45	88.50	88.44	88.43

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Sept	1.4990	1.5045	1.4970	1.4965
Dec	1.5010	1.5055	1.4980	1.4990
March	1.5010	1.5075	1.5005	1.5015
June	—	1.5100	1.5050	1.5040
Sept	—	—	—	—
Dec	—	—	—	—

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	68-10	68-17	68-03	67-29
Dec	67-12	67-19	67-06	66-31
March	66-20	66-21	66-11	66-02
June	65-28	65-28	65-26	65-11
Sept	65-12	65-12	65-07	64-28
Dec	64-30	64-30	64-28	64-12
March	—	—	—	—
June	—	—	—	63-22
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

MONEY MARKETS

London swings back to shortage

UK clearing bank base lending rate 9½ per cent (since June 14)

Short-term interest rates remained steady on the London money market yesterday, although there was a slightly firmer trend in some areas. Three-month interbank money rose to 9 11/16-9 9/16 per cent from 9½-9⅜ per cent.

Seven-day funds also rose to 9½-9¼ per cent from 9⅜-9⅛ per cent as the market swung back into an overall credit shortage after Wednesday's £350m surplus.

The Bank of England initially forecast a shortage of around £200m yesterday, but this was revised to £250m at noon. The authorities did not take out the full surplus on Wednesday, and banks therefore brought forward above target balances of £110m. This was outweighed by bills maturing in official hands and a take-up of Treasury bills from last week's tender of £20m, and Exchequer transactions draining another £290m.

Before lunch the Bank of England gave assistance of £201m by buying £30m bank bills in band 1 (up to 14 days maturity) at 9 7/16 per cent; £76m bank bills in band 2 (15-33 days) at 9½ per cent; £8m bank bills in band 3 (34-63 days) at 9 7/16 per cent; and £87m bank bills in band 4 (64-84 days) at 9⅜ per cent.

In the afternoon the authorities purchased another £15m bank bills in band 2 at 9½ per cent, bringing total help on the day to £216m.

In Zurich the Swiss Confederation invited tenders for an issue of six-month money market certificates. The subscription period runs from today until September 6, and is expected to total about SwFr150m. The last issue of six-month certificates was made in March, and totalled SwFr 211.3m at an interest rate of 2.749 per cent.

In New York Treasury bill rates opened slightly down from the previous close, while Federal funds were ¼ per cent lower than on Wednesday night at 9½ per cent. The market was expected to be quiet, with no anticipation of intervention by the Federal Reserve.

LONDON MONEY RATES

Sept. 1 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight	—	8-9¾	9⅜-9½	—	—	8-9⅞	3-9⅛	—	—	—
2 days notice	—	—	9⅜-9⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9¾-9⅞	—	—	—	—
7 days notice	—	9½-9¾	9⅝	—	—	—	9⅝	—	—	—
One month	9 9/16-9 7/16	9⅝-9¾	9 11/16	10⅛-9⅞	9⅝	9¾	9⅜	9 11/32	9 17/32	10 5/32
Two months	9¾-9⅝	9 11/16-9 9/16	9 11/16	10¼-9⅞	9⅞	10⅛	9⅜	9 9/32	9 9/16	10 7/32
Three months	9 9/16-9 7/16	9⅝-9 9/16	9 11/16	10¼-9⅞	9 13/16	10⅛	9½	9 11/32	9 9/16	10 5/32
Six months	9 11/16-9⅞	10 1/16-10 3/16	10 1/16	10¼-10	10 3/16	—	—	—	9 11/16	10 5/16
Nine months	10⅛-10 1/16	10¼-10 1/16	10 5/16	10⅝-10¼	10 5/16	—	—	—	—	—
One year	10¼-10⅛	10 5/16-10 3/16	10 5/16	10⅝-10¼	10⅜	—	—	—	—	—
Two years	—	—	11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period July 6 to August 2 1983 (inclusive) 9.989 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11½ per cent; four years 11⅝ per cent; five years 11¾ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills 9 7/16 per cent; four months trade bills 10 3/16 per cent.

Approximate selling rate for one month Treasury bills 9½ per cent; two months 9 7/16 per cent and three months 9 11/32 per cent. Approximate selling rate for one month bank bills 9½ per cent; two months 9 7/16 per cent and three months 9⅜ per cent; trade bills 9 29/32 per cent; two months 9 15/16 per cent and three months 9 29/32 per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1, 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.3386 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 10 per cent; three-six months 10¼ per cent; six-12 months 10⅜ per cent. Under £100,000 9½ per cent from September 1. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Sept. 1	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9¼-9⅝	9½-9⅝	9⅜-9 11/16	9 11/16-9 13/16	10 1/16-10 3/16	10 5/16-10 7/16
U.S. Dollar	9⅜-9⅝	9½-9¾	9¾-10	10⅛-10⅜	10¼-10½	10⅝-11⅛
Can. Dollar	8-8¼	8½-9	9-9⅛	9 7/16-9 9/16	9 15/16-10 1/16	10 7/16-10⅝
D. Guilder	5⅝-6¾	5⅞-6⅛	6-6⅛	6¼-6⅜	6⅜-6½	6¾-6⅞
S. Franc	3⅛-3⅜	3⅛-3⅜	4⅛-4¼	4⅛-4⅜	4⅜-4⅞	4 9/16-4 13/16
Deutschm'rk	4⅞-5	5 1/16-5 3/16	5 5/16-5 7/16	5⅜-5 9/16	6-6⅛	6 3/16-6 5/16
Fr'nch Franc	12-12¼	12⅜-12⅝	13-13¼	15-15¼	16 5/16-16 13/16	16¾-17
Italian Lira	15-16⅛	16½-17	17-17½	17¾-18¼	18¾-19¼	19⅛-20¼
Belg. Franc Conv.	8⅛-9	8¾-9¼	8⅞-9⅛	9⅜-9⅞	10-10½	10⅛-11
Belg. Franc Fin.	8⅛-9	8¾-9	9-9¼	9 3/16-9 7/16	9⅞-10⅛	10⅛-10⅜
Yen	6 5/16-6 9/16	6 5/16-6 9/16	6¾-6⅞	6 7/16-6 9/16	6 7/16-6 9/16	6¾-6⅞
D. Krone	11¼-11⅝	11¼-11⅝	12¾-13⅛	11⅜-11¾	11⅜-11¾	11¼-11⅝
Asia $ (Sing.)	9½-9⅝	9⅝-9¾	9⅞-10	10 1/16-10 3/16	10 5/16-10 11/16	10⅝-11

FT LONDON INTERBANK FIXING

11.00 a.m. SEPTEMBER 1)

3 month U.S. dollars		6 month U.S. dollars	
bid 10 3/16	offer 10 5/16	bid 10 5/8	offer 10 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9¼-9½
Treasury bills (13-week)	9.19
Treasury bills (26-week)	9.46

GERMANY

Lombard	5.0
Overnight rate	5.05
One month	5.55
Three months	5.95
Six months	6.45

FRANCE

Intervention rate	12.25
Overnight rate	12.375
One month	12.4375
Three months	12.4375
Six months	12.4375

JAPAN

Discount rate	5.5
Call (unconditional)	6.34375
Bill discount (3-month)	6.71875

SWITZERLAND

Discount rate	4
Overnight rate	2½-3
One month	4¼-4½
Three months	4¼-4½

NETHERLANDS

Discount rate	4½
Overnight rate	5¾-6
One month	5¾-6
Three months	6 1/16-6 3/16
Six months	6¼-6½

$ CERTIFICATES OF DEPOSIT

One month	9.65-9.75
Three months	9.90-10.00
Six months	10.35-10.45
One year	10.60-10.80

LONG TERM EURO $

Two years	11¾-12
Three years	12-12¼
Four years	12¼-12½
Five years	12⅜-12⅝

SDR LINKED DEPOSITS

One month	8 13/16-9 1/16
Three months	9 1/16-9 5/16
Six months	9¾-10
One year	10-10¼

ECU LINKED DEPOSITS

One month	8 13/16-9 1/16
Three months	9¼-9½
Six months	9 13/16-10 1/16
One year	10¼-10½

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WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday August 31 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.7572
Algeria	Dinar	4.8757
Andorra	Fr. Franc	8.1435
	Sp. Peseta	153.00
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	New Peso (f) (11)	10.56
Australia	Dollar	1.1386
Austria	Schilling	19.0225
Azores	Port. Escudo	124.75
Bahamas	Dollar	1.00
Bahrain	Dinar	0.377
Balearic Is.	Sp. Peseta	153.00
Bangladesh	Taka	24.27
Barbados	Dollar	2.0113
Belgium	Franc (C)	54.41
	Franc (F)	54.67
Belize	Dollar	2.00
Benin	C.F.A. Franc	407.175
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	10.09
Bolivia	Peso	198.00
Botswana	Pula	1.1039
Brazil	Cruzeiro	669.50
Brunei	Dollar	2.1455
Bulgaria	Lev	0.987
Burma	Kyat	8.1454
Burundi	Franc	90.00
Cameroun Rp.	C.F.A. Franc	407.175
Canada	Dollar	1.2341
Canary Is.	Sp. Peseta	153.00
Cape Verde Is.	Escudo	72.6744
Cayman Is.	Dollar	0.835
Cen. Af. Rep.	C.F.A. Franc	407.175
Chad	C.F.A. Franc	407.175
Chile	Peso (O)	80.81
China	Renminbi Yuan	1.9852
Colombia	Peso (O)	81.40
Comoros	C.F.A. Franc	407.175
Congo P'ple.Rep.of	C.F.A. Franc	407.175
Costa Rica	Colon (O)	41.25
	Colon Free Float	43.35
Cuba	Peso	0.8532
Cyprus	Pound*	1.8335
Czechoslovakia	Koruna (O)	6.35
Denmark	Krone	9.7376
Djibouti Rp. of	Franc	177.72
Dominica	E. Caribbean $	2.70
Domin. Rep.	Peso	1.00
Ecuador	Sucre (O)	48.05
	Sucre (F)	91.60
Egypt	Pound* (O)	1.4286
	Pound*	1.2195
El Salvador	Colon	2.50
Eq'tl Guinea	Ekuele	306.00
Ethiopia	Birr (O)	2.0436
Faeroe Is.	Dan. Krone	9.7375
Falkland Is.	Pound*	1.4925
Fiji	Dollar	1.0466
Finland	Markka	5.759
France	Franc	8.1435
Fr. C'ty in Af.	C.F.A. Franc	407.175
Fr. Guiana	Franc	8.1435
Fr. Pac. Is.	C.F.P. Franc	148.063
Gabon	C.F.A. Franc	407.175
Gambia	Dalasi	2.6801
Germany (E)	Ostmark (O)	2.7065
Germany (W)	Mark	2.7065
Ghana	Cedi	3.75
Gibraltar	Pound*	1.4985
Greece	Drachma	92.77
Greenland	Dan. Krone	9.7375
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	8.1435
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	42.1222
Guinea Rep.	Syli	23.6318
Guyana	Dollar	3.0101
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	Dollar	7.56
Hungary	Forint	44.1783
Iceland	Krona	27.9545
India	Rupee	10.09
Indonesia	Rupiah	985.00
Iran	Rial (O)	88.361
Iraq	Dinar	0.3095
Irish Rep.	Punt*	1.1681
Israel	Shekel	57.80
Italy	Lira	1613.50
Ivory Coast	C.F.A. Franc	407.176
Jamaica	Dollar (o)	1.7856
	Dollar (f)	2.655
Japan	Yen	246.77
Jordan	Dinar	0.3705
Kampuchea	Riel	n.a.
Kenya	Shilling	13.4588
Kiribati	Aust. Dollar	1.1386
Korea (Nth)	Won	0.94
Korea (Sth)	Won	778.20
Kuwait	Dinar	0.2925
Lao P'ple D. Rep.	Kip	10.00
Lebanon	Pound	4.65
Lesotho	Loti	1.126
Liberia	Dollar	1.00
Libya	Dinar	0.2961
Liechtenst'n	Sw. Franc	2.1935
Luxembourg	Lux Franc	54.41
Macao	Pataca	7.8586
Madagascar D. R.	Franc	430.95
Madeira	Port. Escudo	124.75
Malawi	Kwacha	1.1605
Malaysia	Ringgit	2.357
Maldive Is.	Rufiyaa (O)	3.93
	Rufiyaa (M)	7.05
Mali Rp.	Franc	814.35
Malta	Pound*	2.2665
Martinique	Franc	8.1435
Mauritania	Ouguiya	53.95
Mauritius	Rupee	11.4879
Mexico	Peso(5)	155.00
	Peso (6)(cont'd)	137.42
Miquelon	Fr. Franc	8.1435
Monaco	Fr. Franc	8.1435
Mongolia	Tugrik (O)	3.3556
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	7.8921
Mozambique	Metica	27.4124
Namibia	S.A. Rand	1.126
Narua Is.	Aust. Dollar	1.1386
Nepal	Rupee	14.30
Netherlands	Guilder	3.0855
NethAnt'les	Guilder	1.80
New Zealand	Dollar	1.5359
Nicaragua	Cordoba	10.00
Niger Rp.	C.F.A. Franc	407.175
Nigeria	Naira (O)	0.7401
Norway	Krone	7.519
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	13.4078
Panama	Balboa	1.00
Papua N.G.	Kina	0.8672
Paraguay	Guarani (o) (2)	126.00
	Guarani (m) (2)	160.00
Peru	Sol	1958.89
Philippines	Peso	11.007
Pitcairn Is.	N.Z. Dollar	1.5359
Poland	Zloty (O)(1)	95.49
Portugal	Escudo	124.75
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	8.1435
Romania	Leu (O)	4.47
Rwanda	Franc	92.84
St. Christopher	E. Caribbean $	2.70
St. Helena	Pound*	1.4925
St. Lucia	E. Caribbean $	2.70
St. Pierre	Fr Franc	8.1435
St. Vincent	E. Caribbean $	2.70
Samoa (Western)	Tala	1.6311
Samoa (Am.)	U.S. $	1.00
San Marino	It. Lira	1613.50
Sao Tome & Principe DR	Dobra	39.6476
Saudi Arabia	Riyal	3.48
Senegal	C.F.A. Franc	407.175
Seychelles	Rupee	6.9256
Sierra Leone	Leone (3)	2.5135
Singapore	Dollar	2.1455
Solomon Is.	Dollar	1.1943
Somali Rep.	Shilling	15.7956
South Africa	Rand	1.126
Spain	Peseta	153.00
Span. Ports in N. Africa	Sp. Peseta	153.00
Sri Lanka	Rupee	24.36
Sudan Rep.	Pound*	0.7692
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.126
Sweden	Krona	7.9485
Switzerland	Franc	2.1925
Syria	Pound	3.925
Taiwan	Dollar (O)	40.17
Tanzania	Shilling	12.35
Thailand	Baht	23.01
Togo Rep.	C.F.A. Franc	407.175
Tonga Is.	Pa'anga	1.1386
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.7091
Turkey	Lira	238.85
Turks & Caicos	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1386
Uganda	Shilling (1st)	169.88
	Shilling (2nd)	277.76
Utd. A'b. Emir.	Dirham	3.673
Utd. Kingdom	Pound Sterling*	1.4925
Upper Volta	C.F.A. Franc	407.175
Uruguay	Peso	45.75
U.S.S.R.	Rouble	0.755
Vanuatu	Vatu	101.688
	Aust. Dollar	1.1386
Vatican	Lira	1615.50
Venezuela	Bolivar (7)	4.30
	Bolivar (8)	6.00
	Bolivar (9)	15.25
Vietnam	Dong (O)	2.18
Virgin Is. Br.	U.S. $	1.00
Virgin Is. U.S.	U.S. $	1.00
Yemen	Rial	4.605
Yemen PDR	Dinar	0.345
Yugoslavia	Dinar	101.775
Zaire Rp.	Zaire	6.078
Zambia	Kwacha (4)	1.225
Zimbabwe	Dollar	1.048

n.a. Not available. (m) Market rate. *U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Poland: Devalued on 1st July. (2) Paraguay operates a two-tier system, o=imports, exports and government transactions, m=all other transactions. (3) Sierra Leone 1st J… reverted to single rate. (5) Mexico Free market rate. (6) Mexico: Controlled rate covering imports, exports and some debt repayments. (7) Venezuela—three-tier system has developed. This rate is for all essential imports. (8) Venezuela Non-essential import rate. (9) Venezuela: Floating rate for tourists. (11) June … Argentina new Peso=10,000 old Pesos.

INTERNATIONAL CAPITAL MARKETS

This announcement appears as a matter of record only.

Inspiration Resources Corporation

has been reorganized into a public United States company through a business combination of Hudson Bay Mining and Smelting Co., Limited and its former affiliates Plateau Holdings Inc. and Trend International Limited.

Inspiration Resources Corporation and Hudson Bay Mining and Smelting Co., Limited

have completed a private placement of units of common shares and warrants, and a public issue of units of special shares and warrants, respectively, in the equivalent amount of:

Cdn. $229,575,000

The undersigned acted as financial advisor in connection with the reorganization and as manager of the financing.

McLeod Young Weir Limited

August 1983

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BOND DRAWINGS

NOTICE OF REDEMPTION

European Coal and Steel Community

6⅝% 20-Year Bonds of 1967 Due October 1, 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Paying Agency Agreement dated as of October 1, 1967 by and between the European Coal and Steel Community and The Chase Manhattan Bank (National Association), as American Paying Agent, and the European Paying Agents, $823,000 in principal amount of the above Bonds will be redeemed and prepaid on October 1, 1983 at the principal amount thereof together with interest accrued to the redemption date.

The serial numbers of the coupon Bonds to be redeemed are set forth below in groups from one number to another number, both inclusive, except such as shall have been previously called for redemption or otherwise retired:

M 401 through 600	M14401 through 14600
1001 through 1200	14801 through 15000
5401 through 5600	17001 through 17200
6201 through 6400	17801 through 18000
6401 through 6600	18001 through 18200
8201 through 8400	

The serial numbers and principal amounts of the registered Bonds to be redeemed in part are as follows:

Serial Number	Amount to be Redeemed
R2	$40,000
R3	7,000

In case of partial redemption of a fully registered Bond, the American Paying Agent, as Authenticating Agent, will authenticate and deliver coupon Bonds or fully registered Bonds of authorized denominations in exchange for, and in aggregate principal amount equal to, the unredeemed portion of any fully registered Bond redeemed in part.

Interest on the above Bonds (or portions thereof) shall cease to accrue on the redemption date and on the date the redemption price will become due and payable on each of such Bonds (or portions thereof) called for redemption.

Payment of coupon Bonds to be redeemed will be made upon presentation and surrender thereof, together with all coupons, if any, maturing subsequent to the redemption date, at The Chase Manhattan Bank, N.A., Corporate Bond Redemptions, P.O. Box 2020, 1 New York Plaza, 14th Floor, New York, New York 10081 or, at the option of the holder, at Banca Commerciale Italiana S.p.A., Sede di Milano, 6 Piazza della Scalla, Milan, Italy; S. G. Warburg & Co. Limited, 30 Gresham Street, London E.C. 2, England; Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, Luxembourg, Grand Duchy of Luxembourg; Société Générale de Banque, S.A., Montagne du Parc 3B, Brussels, Belgium; or Société Générale, 29 Boulevard Haussman, 75009 Paris, France, the European Paying Agents.

Coupons which mature on, or have matured prior to, the redemption date should be detached and surrendered for payment in the usual manner.

Payment of registered Bonds to be redeemed will be made only upon presentation and surrender thereof at the above mentioned address of The Chase Manhattan Bank, N.A.

EUROPEAN COAL AND STEEL COMMUNITY
By THE CHASE MANHATTAN BANK, (NATIONAL ASSOCIATION)
American Paying Agent

Dated: September 2, 1983

CASSA PER IL MEZZOGIORNO
US$25,000,000 6¾% Guaranteed Bonds 1983

NOTICE OF FINAL REDEMPTION

Bondholders are advised that all outstanding Bonds are redeemable at par on 1st October, 1983 and that interest will cease to accrue on that date.

Bonds are payable at:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB,

or one of the other paying agents named on the Bonds.

The following Bonds drawn for redemption on the date stated below have not yet been presented for payment.

1st October, 1982

18666 to 18674 — 18740 — 19896 to 19905

30, Gresham Street, London, EC2P 2EB. — 2nd September, 1983

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EUROBONDS

First German issue of DM 100m for South Africa

BY PETER MONTAGNONE IN LONDON

SOUTH AFRICA's Department of Posts and Telecommunications yesterday launched its first public bond issue in Germany to raise DM 100m over seven years through an offering led by BHF Bank.

The issue bears an indicated coupon of 9 per cent, which is high for current market conditions, although Lonrho issued a DM 75m bond last week with the same coupon. That paper was yesterday trading at a discount of 1¼ bid from its par offer price. The South African Postal Department has issued two previous private placements in Germany. Following normal practice with South African borrowers both had a shorter life than the new public issue.

Elsewhere fixed rate dollar Eurobonds were marked up by around ¼ points yesterday, their first gain in trading this week. Dealers said, however, that the gains reflected professional business rather than renewed investor interest in bonds and were *basically a reaction to the market's recent sharp falls.*

In Switzerland Sumitomo Heavy Industries is raising SwFr 100m through an eight year public issue led by Swiss Bank Corporation with an indicated yield of 6 per cent. Canon Sales' SwFr 100m convertible private placement was priced yesterday by lead manager, Banca della Svizzera Italiana with a coupon of 3⅜ per cent. Issue price is par and the share conversion premium is 0.672 per cent.

U.S.$250,000,000
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Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally Guaranteed by

CITICORP

Notice is hereby given that the Rate of Interest has been fixed at 10⅛% per annum and that the interest payable on the relevant Interest Payment Date, December 2, 1983, against Coupon No. 11 in respect of U.S.$10,000 nominal of the Notes will be U.S.$259.10.

September 2, 1983, London
By: Citibank, N.A. (CSSI Dept), Agent Bank — **CITIBANK**

World value of the pound every Tuesday in the FINANCIAL TIMES

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FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For *further details of these or other bonds see the complete list of Eurobond prices which is published monthly.* The following are closing prices for September 1.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	92⅛	92⅝	+0⅜	-0¾	11.85
Bank of America 8 88 XW	150†	84	84¾	-0⅛	-1	12.70
Bank of Tokyo Hold 11 90	100	92⅞	93⅜	0	-1⅜	12.56
British Col Hyd 10⅛ 88	200	95⅛	95⅝	-0¼	-1½	11.57
C.C.C.E. 11¾ 97	100	91¾	92¼	+0⅛	-2⅛	12.98
C.I.B.C. 11 90	75	89¾	90½	-1⅞	-2	13.29
Citicorp O/S 10⅜ 90	100	90⅛	90⅝	-0⅛	-1	12.55
Coca Cola Int 9⅞ 92	100	90⅛	90⅝	+0⅛	-1⅛	11.66
Cred Suisse BAH 10½ 90	150	93⅞	94⅜	-0½	-1¼	11.61
Credit Suisse 10½ 89	100	94½	95	-0¼	-0⅝	11.70
Den Norsk Cred 11¼ 93	50	91	91½	-0¼	-1¾	12.85
Du Pont 11¼ 85	150	97	97½	-0¼	-1	11.68
E.C.S.C. 11⅞ 90	75	97⅜	97⅞	+0⅜	-1⅜	12.39
E.D.C. 10¾ 88	100	95¾	96¼	-0⅛	-1¾	11.93
E.D.C. 11¾ 87	100	98⅝	99⅛	+0¼	-1	12.08
E.D.F. 11⅛ 93	100	90⅛	90⅝	+0¼	-1½	12.89
E.E.C. 10¾ 95	75	87⅞	88⅛	0	-1⅝	12.79
E.E.C. 11 87	350	96¾	97¼	+0⅜	-0⅝	11.99
E.I.B. 10¾ 93	200	90⅜	90⅞	0	-1⅜	12.44
E.I.B. 11 91	125	92⅝	93⅛	-0⅝	-1⅝	12.48
Electrolux 10½ 90	50	90⅛	90⅝	-0⅜	-1¾	12.68
Enserch Fin 11⅝ 93	100	91¾	92¼	+0¼	-1⅛	13.10
Fuji Int Fin 10⅞ 90	100	90¾	91¼	+0⅛	-1	12.93
Gen Elec Credit 9¾ 91	100	88¾	89¼	-0⅜	-1¼	11.97
GMAC O/S Fin 10½ 90	200	94	94½	-0¼	-1¼	11.79
Honeywell Int 10¾ 90	100	96⅛	96⅝	+0⅝	-0⅜	11.53
Indust Bk Japan 10⅞ 88	100	95	95½	+0¼	-1½	12.23
Japan Air Lines 10⅞ 98	42	88¼	88¾	+0¼	-0¾	12.45
Japan Air Lines 11 93	75	92⅞	93⅜	-0⅛	-1⅜	12.22
J. P. Morgan 11⅜ 90 XW	150	96⅞	97⅜	0	-0⅞	12.00
Levi Strauss Int 11 90	75	94	94½	+0⅛	-0⅝	12.27
L.T.C.B. 10¾ 90	100	90¼	90¾	0	-1½	12.91
Merrill Lynch 10⅝ 90	200	92⅛	92⅝	+0¼	-0⅞	12.34
Midland Int Fin 11½ 92	150	95⅛	95⅝	+0½	-0¾	12.34
Mitsubishi Corp 10½ 90	100	91⅝	92⅛	-0⅛	-0⅞	12.33
Mitsubishi Fin 11⅜ 90	100	93⅞	94⅜	-0⅛	-1⅜	12.69
Nippon Credit 11 90	100	91⅛	91⅝	+0⅛	-1	12.97
Nippon Credit 11¼ 93	100	91⅛	91⅝	-0¼	-1⅜	12.84
O.K.B. 10 91	100	88⅜	88⅞	+0⅛	-1	12.36
Ontario Hydro 10¼ 90	250	91⅞	92⅜	0	-0⅞	12.00
Ontario Hydro 11⅛ 89	200	98¼	98¾	+0⅛	-1⅛	11.57
Ontario Hydro 12¾ 92	200	102⅜	102⅞	+0⅛	-1¼	12.24
Prudential O/S 10⅝ 93	100	93½	94	+0½	-1½	11.72
Prudential O/S 12¾ 87	150	103⅝	104⅛	+0⅛	-1¼	11.49
Saskatchewan Pr 10¾ 90	125	93⅜	93⅞	+0⅛	-1⅜	12.18
S.N.C.F. 11½ 93	100	93⅞	94⅜	-0⅛	-1⅝	12.56
Sth Cal Edison 10½ 90	75	93⅜	93⅞	+0⅛	-0⅞	11.91
Sumitomo Fin 10⅞ 90	100	90½	91	-0¼	-1⅜	12.99
Swiss Bk Corp 10¼ 90	125	94⅝	95⅛	+0⅛	-0⅞	11.40
Texaco Capital 9¾ 90	150	91⅝	92⅛	+0⅜	-0⅜	11.57
U.B.S. 10 88	100	96	96½	+0¼	-0⅜	11.04
U.B.S. 11 89	150	100⅞	101⅜	+0⅜	-0¼	10.72
Westpac Int Fin 11 90	100	90¼	90¾	-0¼	-1⅜	13.19
World Bank 10⅜ 88	150	94⅜	94⅞	+0⅛	-1¼	11.82
World Bank 10⅞ 93	100	91⅞	92⅜	+0⅛	-1⅜	12.29
World Bank 11¼ 88	100	96¼	96¾	+0¼	-0⅜	12.22
World Bank 11½ 90	150	96	96½	+0¼	-0⅜	12.33

Av. price changes: on day 0, on week -1⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7¾ 93	100	98	98½	-0⅛	-0¼	7.63
A.N.A.S. 8¼ 88	100	99⅛	99⅝	0	-0⅜	8.40
Austria, Rep 7⅞ 89	100	98	98½	-0⅛	-0⅝	8.00
Austria, Rep 8 93	100	99⅝	100⅛	-0⅛	-0⅜	8.01
Avon Int Fin 7½ 93	100	97¼	97¾	+0½	-0⅝	7.88
B.F.C.E. 8¼ 90	150	99¾	100¼	-0⅛	-0⅛	8.24
Comp Tel Nac Esp 8¼ 93	100	94⅜	95⅜	+0⅛	+0¼	9.29
Deutsche Bank 3¾ 91 WW	240	106	107¼	+1¾	0	2.78
Deutsche Bank 3¾ 91 XW	240	80⅛	80⅞	+0⅛	0	7.12
Dresdner Finance 4 90 WW	250	108¼	109	+1⅜	+0⅝	2.60
Dresdner Finance 4 90 XW	250	83	83¾	+0½	+1⅛	7.16
E.C.S.C. 8 90	160	99½	100	-0⅛	0	8.05
E.E.C. 8¼ 93	250	100⅛	100⅝	-0⅛	-0⅜	8.18
Eurofima 7½ 90	100	97⅝	98⅛	-0¼	-0⅝	7.91
Finland Rep 7½ 88	150	98½	99	0	-0⅛	7.81
Int-Am Dev Bk 7¾ 93	200	94⅛	94⅝	0	-0⅜	8.62
Int Standard Ele 7¾ 93	100	98	98½	-0⅛	-0¼	8.01
Japan Dev Bank 7½ 90	100	98½	99	+0⅜	-0⅛	7.73
Kobe City 7 93	120	94⅝	95⅛	+0⅛	-0⅛	7.76
L.T.C.B. 8 90	100	98½	99	+0⅛	0	8.24
Renault Acceptance 8 90	150	97	97½	+1	-0¼	8.54
S.D.F. France 7⅞ 93	100	96	96½	-0⅛	-0¼	8.45
Sth African Tran 8¼ 90	100	98½	99	-0¼	-0¾	8.49
Volkswagen Int 7¼ 93	200	94¾	95¼	-0⅛	-0¾	8.01
World Bank 7½ 90	250	96⅛	96⅝	+0⅛	-0⅝	8.21
World Bank 7½ 93	300	95⅛	95⅝	+0⅛	-1	8.20

Av. price changes: on day +¼, on week -¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100	97¾	98	+0¾	-0½	5.91
Bank of Tokyo 6 91	100	101¼	101½	-0¼	-0¼	5.78
Bergen, City of 5¾ 95	40	99	99¼	0	-0½	5.85
Carls-Tuborg Brw 5¾ 93	60	100¾	101	0	-0¼	5.62
Chujitsuya Co 5⅞ 93	50†	96½	97	+0⅛	-0⅜	6.33
Denmark 6⅞ 91	100	101	101¼	-0½	-1	6.19
E.D.C. 5⅞ 91	100	98	98¼	0	0	5.88
E.I.B. 5¾ 93	100	100¼	100½	-0¼	-0½	5.69
Ex-Im Bk Japan 5⅝ 91	100	97⅞	98	0	-0¼	5.97
Ind Fund Finland 6¼ 91	40	100¼	100½	-0⅛	+0¼	6.19
Int-Am Dev Bk 6⅛ 93	100	100	100¼	-0⅛	-1	6.10
Japan Dev Bank 5½ 93	100	98¼	98½	-0¼	-0¼	5.72
Kansai Elec Power 6 91	100	101⅝	101⅞	-0⅜	-0⅛	5.71
Kawasaki Steel 6⅛ 91	100	101¼	101½	-0¼	-0¼	5.90
Montreal Urban 5¾ 93	100	99½	99¾	0	-0¼	5.80
Mount Isa Finance 6 93	100	101¾	102	-0¼	-0¼	5.74
Nisshin Steel 6¼ 91	100	99½	99¾	0	0	6.31
Norsk Hydro 5½ 98	100	97¼	97½	+1	+0¾	5.77
Osterr Draukraft 6 93	100	102⅝	102⅞	-0⅛	+0⅜	5.62
Osterr Post 6⅛ 91	100	102½	102¾	0	-0½	5.70
Quebec Hydro 5½ 93	100	100⅝	100⅞	-0⅛	-0⅛	5.39
Sekisui House 6 93	100	100¾	101	-0¾	0	5.87
Sumitomo Metal Ind 6 91	100	100	100¼	0	-1	5.97
Tohoku Elec Power 6 93	100	100⅝	100⅞	+0⅛	+0⅛	5.89
Trizec Corp 6¼ 91	100	102	102¼	0	+0¾	5.88
World Bank 5⅝ 93	100	97	97¼	0	0	6.02

Av. price changes: on day 0, on week -⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	103¾	104¼	0	0	7.99
E.I.B. 8⅛ 92	15	101¾	102¼	+0⅛	-0⅛	7.82
Japan Airlines 7⅞ 87	9†	101⅜	102⅛	0	0	7.19
New Zealand 7⅝ 89	15	101⅜	101⅞	0	0	7.28
World Bank 8⅜ 92	20	102⅝	103⅛	+0⅛	0	[illegible]

Av. price changes: on day +⅛, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col 11¾ 93 CS	25†	93⅜	94⅛	0	-0⅛	12.82
Can Pac Secs 11⅞ 90 CS	75†	88	90½	-0½	-0⅛	12.24
Charb France 11⅞ 95 CS	40†	93⅝	94⅜	+0⅛	+0⅛	12.85
Montreal 12¼ 91 CS	50†	99	99½	-0⅜	-0½	12.37
Norcen 12⅜ 93 CS	60†	94¼	94⅞	-10	+0⅜	12.78
Quebec Province 12 93 CS	50†	98⅜	98⅞	0	-0⅝	12.22
Xerox Canada 12 88 CS	40†	98½	99	0	+0¼	12.26
Credit Nat 12¼ 93 ECU	50	103½	104¼	0	+0⅛	11.54
Forsmarks 11½ 98 ECU	40	102½	103½	0	0	[illegible]
Consol Foods 7⅛ 88 Fl	100	95⅛	95⅝	+0¼	+0¼	8.48
Elect Supply 8¼ 88 Fl	75	95⅝	96⅛	-0⅛	-0¼	8.86
Nederland Gas 7½ 88 Fl	100	97⅜	98⅜	0	0	7.89
Philips Lamps 7¼ 88 Fl	100	96¾	97¼	-0⅛	-0¼	8.06
Swed Exp Cred 7¾ 88 FL	100	94½	95	-0½	-0⅜	9.12
World Bank 7 88 Fl	150	94	94½	0	-0⅛	8.30
O.K.B. 14 86 FF	400	100⅝	101⅜	0	+0⅛	13.45
Solvay & Cie 14¾ 86 FF	200	101⅜	102⅜	0	+0⅛	13.71
B.F.C.E. 11½ 88 £	50	96¾	97½	+0⅛	0⅛	12.38
British Oxyg 11⅜ 81 £	50	100	100¾	+0¼	+0½	11.85
CEPME 11⅛ 95 £	35	98¾	99½	+0¾	+0⅞	11.37
E.E.C. 11⅞ 91 £	50	100⅛	100⅝	0	-0½	11.78
Fin For Ind 10½ 90 £	30	95¼	95⅞	+0⅛	0	11.47
Fin For Ind 12¼ 88 £	30	103⅜	104⅛	+0⅛	0	11.23
Fin Mut Oranj 12⅝ 92 £	30	101	101¾	-0⅛	-0¾	12.37
Gen Elec Co 12½ 89 £	50	102⅝	103⅜	-0⅛	-0½	11.82
Mort Bk Fin 11¾ 89 £	15	96⅛	97	0	-0⅜	12.54
Norsk Hydro 12 88 £	30	101¾	102½	+0¼	+0⅛	11.56
Quebec 14½ 89 £	30	108¼	109	0	-0⅛	12.38
S.N.C.F. 11½ 89 £	30	96⅜	97⅛	+0¼	0	12.28
Sweden 11⅛ 93 £	50	93¼	94	+0⅛	-0⅛	12.39
Swed Exp Cred 11¼ 88 £	30	96¾	97⅛	0	-0¼	12.15
World Bank 11⅛ 88 £	100	97	97¾	+0¼	+0⅛	11.85
World Bank 11⅜ 91 £	75	99	99½	+0⅛	-0⅛	11.50
Euratom 11 93 LuxFr	500	103⅞	104⅜	-0⅛	-0¼	10.23
Europarat 10¾ 93 LuxFr	600	102⅛	103⅛	0	0	10.28

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0¼	99⅛	99⅜	27/1	10⅝	10.63
B.F.C.E. 5¼ 88	0¼	99⅛	99⅝	28/1	10.18	10.25
Caisse Nat Tele 5¼ 90	0¼	99	99½	21/10	9.56	9.63
C.C.F. 5¼ 85	0⅛	98⅞	99⅜	7/10	10.19	10.28
C.C.F. 5⅛ 98	0⅛	99⅝	100⅛	24/9	9.94	9.95
Cepme 5¼ 88 WW	0⅛	99⅛	99¾	3/9	10	10.05
Cepme 5⅛ 92	0¼	99⅜	99⅞	10/12	10½	10.54
Chemical NY 5¼ 94 ††	0¼	100¼	101	23/9	10.82	10.75
C.N.C.A. 5¼ 95 XW	0⅛	98¾	99	7/12	10	10.11
C.N.T. 5⅛ 91	0¼	98½	99¼	6/11	9¼	9.35
Credit Agricole 5¼ 97	0¼	99½	100	24/9	10	10.03
Credit Lyonnais 5¼ 94	0¼	99	99¼	5/1	10.31	10.40
Credit Lyonnais 5¼ 97	0¼	99	99½	1/10	10.06	10.14
Credit Nat 5⅛ 94	0⅛	98⅞	99⅜	8/8	9¼	9.32
E.D.F. 5⅛ 95 XW	0⅛	99½	100¼	10/2	11⅜	11.39
E.E.C. 5 90	0⅛	98¾	99¼	5/1	10.19	10.23
Kansallis Osake 5½ 92	0⅛	99¾	100	8/11	9⅛	9.14
Long Term Cred 5¼ 92	0⅛	99¾	100½	27/11	9¾	9.74
J.P. Morgan 5⅛ 97 S	0¼	100½	100¾	12/11	10.81	10.75
New Zealand 5⅛ 87	0⅛	100	100¼	7/10	10.08	10.05
NZ Steel Dev 5¼ 92	0¼	100	100¼	22/12	10⅛	10.21
Nippon Credit 5¼ 90	0⅛	100⅛	100⅝	10/2	11¼	11.21
Soc Generale 5¼ 90 XW	0¼	98⅞	99¼	8/11	9⅛	9.22
Société Générale 5¼ 95	0¼	99¼	99¾	1/9	9½	9.58
Sweden 5¼ 89	0¼	99¾	100	26/2	10.19	10.20
Sweden 5¼ 93	0⅛	100	100⅛	3/2	11.15	11.15

Av. price changes: on day +⅛, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	105⅜	106⅞	-0¼	3.68
Canon 7 97	7/82	748.2	227⅛	228⅜	+4⅝	20.33
Daiwa Sec Co 5½ 98	10/83	508	96¼	97½	-0⅜	1.16
Hitachi Cable 5¾ 96	2/82	515	110⅝	112½	-0¾	5.46
Honda Motor 5¼ 98	6/83	884	96	97	+0⅞	4.41
Honda Motor 5½ 97	3/82	759.6	110	111½	+1⅝	2.49
Kumagai Gumi 6½ 97	10/82	498	118⅜	119⅞	-0¼	-2.16
Kyowa Hakko 6¼ 97	2/83	762	115⅞	117⅜	+0½	11.56
Minebea Co Ltd. 5½ 98	5/83	687	128¾	129⅝	-0¼	-1.87
Mitsubishi Electric 5¼ 98	6/83	396	108⅝	109⅝	-0⅜	0.26
Nippon Electric 5¼ 97	2/82	765.9	182¾	184⅝	-1	5.52
Nippon Oil Co 5½ 98	4/83	964	99¾	100¾	+0⅜	9.67
Nissan Motor 5¾ 98	4/83	778	86⅝	87⅝	+0½	-1.27
Olympus Optical 6¾ 97	12/82	1331	100⅛	101⅝	+0¾	17.97
Orient Finance 5¼ 97	3/82	827.2	91	92½	+0⅜	10.12
Orient Leasing 5⅛ 98	6/83	2880	94⅛	95⅛	+0⅜	-2.07
Secom 5 98	11/83	2920	122	123½	-0⅜	2.28
Sumitomo Electric 5½ 97	3/82	577.3	109⅞	111⅜	-0½	2.11
Sumitomo Metal 5¼ 96	10/81	296.1	66½	68	0	31.83
Yamaichi Sec Co 5 98	8/83	472	92⅝	94⅛	+0⅜	-0.01
NEC Corp 3½ 93 SF†	6/83	978	151	153	+1	-0.28
Sanyo Electric 3½ 93 SF	5/83	581	106	108	0	16.64
Konishiroku 6¾ 88 DM	6/82	616	114¼	115¼	+2¾	4.83
Mitsubishi Heavy 6 89 DM	2/82	263	103¾	104¾	-0¼	16.80
Sem Realty 6¼ 92 DM	2/83	365	118⅛	119¼	0	-3.83

* No information available-previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date - Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cu. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The Ritz-Carlton Hotel, Boston, Mass., and associated assets have been acquired by affiliates of W. B. Johnson Properties Inc.

We acted as financial advisor to the former owners of The Ritz-Carlton Hotel.

Morgan Guaranty Trust Company *of New York*

August 31, 1983

هكذا من الأصل